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PUBLIC LAW 640--80th Congress

Chapter 466--2d Session

H. R. 5770

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DIGEST OF PUBLIC LAW 640

TREASURY-POST OFFICE APPROPRIATION ACT, 1949. Provides for transfer of funds to the Treasury Department, with approval of the Budget Bureau, from conservation and use of agricultural land resources, this Department, and available corporate funds of CCC, to cover expenses for disbursement, clearing of checks, servicing of bonds, handling of collections, and rendering accounts; requires (under the Bureau of Federal Supply) transfers from other agencies to the Bureau in connection with transfers of functions to the Bureau; provides the method of payments to the general supply fund; permits the Bureau to repair Government typewriters at cost; increases the general supply fund by $1,500,000; generally prohibits the use of 1949 appropriations for the purchase of typewriters, but fixes a formula for the price of typewriters which may be purchased in special circumstances; directs Government agencies to furnish within 30 days after enactment of this act to the Bureau of Federal Supply an inventory of typewriters and transfer surplus typewriters to that Bureau for redistribution; directs the Bureau to make surveys from time to time to determine the number of surplus typewriters and directs Government agencies to surrender typewriters found to be surplus; provides for disposal of surplus property; authorizes field settlement for transactions with the Bureau in the field and the purchase of printing and binding from the Government Printing Office for field-warehouse stocking and issue; permits the Post Office Department to manufacture small quantities of distinctive equipment required by other agencies; and provides for joint telephone switchboard service in post-office buildings serving two or more Government agencies.

INDEX AND SUMMARY OF HISTORY ON H. R. 5770

December 9, 1947	Hearings: H. R. 5770. Post Office Dept. (House)
January 15, 1948	Hearings: H. R. 5770. Treasury Dept. (House)
February 5, 1948	Hearirgs: H. R. 5770. Internal Revenue. (House)
March 9, 1948	House Committee on Appropriations reported H. R. 5770. House Report 1532. Print of the bill as reported. Committee prints of the bill and report.
March 11, 1948	House debated and passed H. R. 5770 with amendments.
March 12, 1948	H. R. 5770 was referred to the Senate Committee on Appropriations. Print of the bill as referred.
April 7, 1948	Hearings: Senate, H. R. 5770.
May 12, 1948	Hearings: Senate, H. R. 5770, supplemental hearings.
May 24, 1948	Senate Committee on Appropriations reported H. R. 5770 with amendments. Senate Report 1389. Print of the bill as reported.
May 28, 1948	Senate debated and passed H. R. 5770 as reported.
	Senate Conferees appointed.
	Print of the bill with the amendments of the Senate numbered.
June 2, 1948	House Conferees appointed.
June 4, 1948	House received the Conference Report. House Rept. 2224.
June 8, 1948	House agreed to the Conference Report.
June 10, 1948	Senate agreed to the Conference Report.
June 14, 1948	Approved. Public Law 640.

[COMMITTEE PRINT]

NOTICE.—This report is given out subject to release when consideration of the bill which it accompanies has been completed by the whole committee. Please check on such action before release in order to be advised of any changes.

80TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. ~~1532~~

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1949

MARCH 9, 1948.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. CANFIELD, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 5770]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949.

With the exceptions subsequently specified, the bill includes regular annual appropriations for these Departments, the estimates for which are found: For the Treasury Department, on pages 849 to 894, inclusive, of the Budget; and for the Post Office Department, on pages 791 to 813, inclusive, of the Budget.

Appropriations for Bureau of Customs, Coast Guard, acquisition of strategic and critical materials, and refunding internal-revenue collections have not been included in the bill, but will be presented to the House later.

Detailed management surveys of the customs service and the Coast Guard, authorized in the Treasury-Post Office Appropriation Act, 1948, were made on a contract basis by commercial firms during the latter part of the calendar year 1947. Reports thereon were received in January 1948. In order that management and budgetary improvements pointed out in these reports can be analyzed and initiated, time must be afforded during which the recommendations made can receive

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thorough study by Treasury officials and the committee. The Secretary of the Treasury should insure that his officials spare no effort immediately to initiate concrete action on all recommendations made in these management surveys and be able to demonstrate specific improvements in efficiency and reductions in costs by the time hearings are held on the 1949 budgets for these two agencies.

The appropriation for strategic and critical materials has been deferred pending determinations relating to their procurement in conjunction with the European recovery program and further study by the committee. The appropriation for internal-revenue refunds requires further consideration by the committee.

In comparing estimates and amounts recommended in the bill for 1949 with appropriations for 1948, it should be noted that certain supplemental estimates for 1948 have been received by the committee. Authority was granted by the Second Supplemental Appropriation Act, 1948, for the Post Office Department to draw heavily against certain of its funds in the first part of the current year in the event of increased mail volume. Postal revenues, which are indicative of mail volume, for the first two quarters of the current year were the largest in history, necessitating supplemental appropriations for fiscal year 1948. Unforeseen demands for currency have occasioned supplemental estimates for the Treasury Department, and claims certified by the General Accounting Office for payment have exceeded original estimates for 1948.

For convenient reference, comparative figures for the items contained in the accompanying bill are as follows:

	Treasury Department	Post Office Department	Total
Appropriations, 1948	$313,678,400	$1,605,933,550	$1,919,611,950
Pending supplemental estimates, 1948	2,721,700	141,318,800	144,040,500
Total, 1948	316,400,100	1,747,242,350	2,063,562,450
Estimates, 1949	306,981,700	1,710,644,500	2,017,626,200
Bill, 1949	290,453,100	1,691,269,250	1,981,722,350
Bill compared with 1948 appropriations plus supplemental estimates	−25,947,000	−55,973,100	−81,930,100
Bill compared with 1949 estimates	−16,528,600	−19,375,250	−35,903,850

TITLE I—TREASURY DEPARTMENT

Direct appropriations carried in the accompanying bill for the Treasury Department total $290,453,100. Budget estimates covering items for which the foregoing amount is recommended total $306,981,700, and appropriations for the regular operations of those Bureaus and agencies of the Treasury Department in 1948 for which provision is made in the accompanying bill amounted to $313,678,400. Budget estimates for 1949 are thus $6,696,700 less than funds provided for these activities for 1948, and the committee has made reductions below the budget estimates by $16,528,600.

Permanent appropriations.—The Treasury Department, in addition to the regular activities appropriated for in the accompanying bill, administers certain permanent appropriations such as interest on the

public debt, statutory public debt retirements, and others, for which the estimated obligations in 1949 aggregate $5,877,868,083. This amount is less than the total of $6,021,281,560 for 1948 by $143,413,477. While interest on the public debt in 1949 is estimated at $5,250,000,000, exceeding the 1948 amount by $50,000,000, the amount for statutory debt retirement in 1949 is 193.7 million dollars less than the 1948 amount. The increase in interest on the public debt is attributable, according to the Secretary of the Treasury, to a rise in the average rate of interest paid, and not to an increase in total debt. The decrease in statutory debt retirement in 1949 is due to the nonrecurring application of the surplus of the War Damage Corporation to reduction of the public debt.

Trust funds.—The Treasury Department also administers trust funds, such as the Federal old-age and survivors insurance trust fund, the unemployment trust fund, and others. Total obligations of these funds in 1949 are estimated at $3,313,584,430, an increase of 89.8 million dollars over the 1948 amount of $3,223,762,500.

The tabular statement at the end of the report provides an itemization of all of the foregoing.

DEPARTMENTAL OFFICES

Appropriation, 1948	$16, 867, 000
Estimate, 1949	11, 936, 400
Recommended in bill, 1949	10, 095, 000

Organizationally under the immediate office of the Secretary of the Treasury as administrative or service offices are the Chief Clerk, Superintendent of Treasury buildings and Division of Personnel, and as technical units the Office of the General Counsel and Division of Tax Research.

The Budget proposed an appropriation for the office of the Chief Clerk, which the Department supported by written justifications. The committee was surprised to learn from the testimony given on this item that a new Office of Administrative Services, which "takes the place of the Chief Clerk's office and contains the Division of Treasury Buildings," was created by administrative order more than 3 months before the budget was presented to the Congress. Although not appreciative of being belatedly advised of budgetary changes, the committee believes that a consolidation of the "housekeeping" functions of the Department is a move in the proper direction. This should be merely the first step in a major realinement of overlapping components. There is no justification for maintaining separate units such as the office of the Chief Clerk, Superintendent of Treasury buildings, and the Division of Personnel. Also, the guard force for Treasury buildings, which was formerly under the office of the Secretary but is now under the Secret Service Division, should be considered as a departmental service organization. All of these service units should be integrated under the office of the Secretary and headed by a single administrative officer without intermediate administrative units or officers. A thorough survey of this matter should be undertaken at once by the Department, and the budget for 1950 should present a consolidation of these functions as well as the appropriations therefor. The committee expects that specific reductions in costs will accompany the consolidation.

The written justifications for the 1949 estimates of the Department were unnecessarily voluminous and not sufficiently uniform. The Secretary of the Treasury should insure that all irrelevant matter and verbiage are eliminated in the justifications for 1950, with substantial reduction in the volume of material presented. Proper care should be exercised to insure maximum clarity and uniformity in presenting all information relative to the estimates. The departmental budget officer should confer with the committee staff in this regard.

The estimate of $409,000 for salaries for the office of the Secretary has been reduced to $380,000, a decrease of $29,000, of which $20,000 should be applied against employment of public-relations personnel. There are presently 7 such employees in the office of the Secretary and 28 elsewhere in the Department, an excessive number. Only 13 messengers are currently employed in the Secretary's office, and the number authorized has been reduced from 18 to 15.

The estimate for personal or property damage claims, $50,000, is admitted by the Department to be a mere guess, and has been reduced to $30,000.

Obligations for penalty mail in 1948 are estimated in the budget at $5,900,000, leaving $800,000 of the current appropriation unused. No increase for 1949 has been justified, and the estimate has been reduced from $6,350,000 to $5,900,000, in conformity with 1948 requirements.

The appropriation for refunds under the Renegotiation Act, administered by the Secretary of the Treasury, has consistently been grossly overestimated since its inception. The estimate of $3,250,000 for 1949 has been reduced by the committee to $2,000,000, the amount presently estimated in the budget to be necessary for 1948.

Despite a reduction of personnel in the Division of Tax Research for 1949, the budget proposes no offsetting reduction in funds. The committee has reduced the estimate of $141,400 to $110,000 to compensate for the proposed smaller number of employees. This appropriation should not be utilized to pay for work performed for foreign governments unless such is authorized by law.

The office of the General Counsel is staffed with 56 persons, of whom only 19 are attorneys. There are 477 attorneys in the entire Legal Division of the Treasury Department, the majority of whom are in the Bureau of Internal Revenue. In all, the Treasury Department estimates for 1949 include $5,500,000 for legal services, and the office of the General Counsel is, according to the Acting General Counsel, largely a service organization for which no work-load statistics are maintained. The amount for this office has been reduced from $250,000 for 1948 to $225,000 for 1949. The detailed legal work is performed principally outside this office in the various bureaus, and the amount provided is adequate for the function of correlating departmental legal activities in addition to any detailed legal work required of this unit.

Funds for the Division of Personnel have been reduced from the estimate of $127,000 to $120,000, since in the past 3 years there has been a constant reduction in the total numbers of civilian personnel in the Treasury Department.

The departmental witness who sought to justify the appropriation for health-service programs for the Department was unable to advise

whether absenteeism on account of illness is reduced by these programs, and no adequate justification for the entire program was given. Notwithstanding this, the committee feels that since these programs were only recently authorized by law, they should be continued with respect to the Treasury Department. The estimate of $75,000 has been reduced to $70,000, and the Department should be able to furnish adequate information and justification of the magnitude and merit of these programs in the future.

BUREAU OF ACCOUNTS

Appropriation, 1948	$13, 655, 000
Estimate, 1949	14, 068, 000
Recommended in bill, 1949	13, 518, 000

Appropriations for this Bureau include salaries and expenses for accounting for and control of appropriations made to various agencies of the Government, preparation of financial statements relating to public funds, disbursing appropriated funds and the administration of funds for payment of certain claims against the Government. Reductions totaling $550,000 have been made in the estimates, which aggregate $14,068,000, for each of the various items under this Bureau. The Bureau of Accounts is liquidating certain war agencies and is billing and collecting for lend-lease items transferred to foreign governments. Certain procuring agencies are tardy in furnishing documents for billings to foreign governments, thus delaying the process of winding up lend-lease accounts. The Secretary of the Treasury should insist upon cooperation of all procurement agencies in the prompt completion of these billings and collections. The committee feels that further delay in this respect should not be tolerated, as it might well result in loss to the Government.

The Division of Disbursement has made some progress in reducing expenses, and the committee hopes that no effort will be spared to effect further reductions.

An appropriation of $325,000 was requested for augmenting the Government losses-in-shipment fund. Although not apparent from its title, losses resulting from erroneous bond redemptions by fiscal agents of the Government are also reimbursed from this fund. Statutory authority for this appropriation is doubtful, and the committee is convinced that the $336,000 balance in the fund is adequate to meet requirements in 1949.

BUREAU OF THE PUBLIC DEBT

Appropriation, 1948	$65, 913, 000
Supplemental estimate, 1948	361, 000
Estimate, 1949	54, 513, 200
Recommended in bill, 1949	52, 800, 000

This Bureau manages transactions in the public debt issues of the United States, matters relating to the paper currency of the United States, and contains a division for promoting the sale of savings bonds to individuals. In its report on the appropriations for the Bureau of the Public Debt for 1947, the committee found it necessary to be critical of the inadequate measure of responsibility evidenced by this Bureau regarding estimates for appropriations to be transferred to other agencies for services to be performed. Such transfers must continually be subjected to the exercise of the most careful appraisal

and control. The committee now notes that transfers of funds to support activities in the office of the Secretary, office of the Fiscal Assistant Secretary and the technical staff are contemplated in 1949. Such interdepartmental transfers reflect a type of budgetary management which the committee cannot continue to sanction. Treasury Department estimates for the next fiscal year should not include provisions for financing departmental activities by transfers between appropriations, but should reflect separate appropriations for such organizational and functional units as are necessary to efficient operations.

The 1949 estimate for the appropriation "Administering the public debt" includes $4,658,100 for the Division of Savings Bonds. When this activity was justified for the fiscal year 1948, the amount of $2,889,862 was requested. The Department now plans to increase the amount to be used in 1948 to $3,564,900, obtaining the difference by utilizing funds otherwise considered as surplus. These increases are based upon a program of greatly accelerated promotional efforts to sell savings bonds. Full utilization of voluntary services will permit a reduction of the amount requested for 1949. Accordingly, the committee has reduced the estimate to $3,750,000, which is an increase over the amount to be used in 1948. Inasmuch as the Department apparently has a propensity to utilize appropriated funds in accordance with its own discretion rather than upon the basis of its budgetary justifications submitted to the Congress, the committee has provided a limit upon the amount of funds for promoting bond sales.

The estimate of $54,513,200 for administering the public debt has been reduced to $52,800,000.

Apart from the decrease noted in the amount provided for the savings bond program, economies are possible in all other activities of this bureau.

The volume of redemptions of paper currency has greatly exceeded that estimated when the 1948 budget was submitted, and the cost of paper has increased. A supplemental appropriation for the purchase of distinctive paper for United States currency is now pending, and the committee has allowed the full amount of $1,300,000 requested in the budget for 1949.

OFFICE OF THE TREASURER OF THE UNITED STATES

Appropriation, 1948	$5,040,000
Estimate, 1949	5,040,000
Recommended in bill, 1949	4,980,000

The volume of work of this office is dependent largely upon the number of checks drawn for Government expenditures and the number of transactions relating to public-debt operations. No important changes in volume are apparent in 1949. The majority of this appropriation is for personal services. The reduction of $20,000 against salaries and expenses can readily be absorbed in filling vacated positions at lower salaries, and the reduction of $40,000 in printing and binding is based upon the fact that the 1949 estimate is greatly in excess of the amount expended in 1947 and the rate of expenditure in the first 6 months of the current year.

BUREAU OF NARCOTICS

Appropriation, 1948	$1,434,000
Estimate, 1949	1,434,000
Recommended in bill, 1949	1,450,000

During examination of the estimates for this Bureau, interrogation of the Commissioner by the committee revealed that a modest increase in appropriations above the estimate could be utilized to station two operators abroad for investigations and preemptive operations at the sources of narcotics shipments. The Commissioner is confident that such activity will greatly aid in control and enforcement of narcotic laws in the United States. The committee heartily endorses the expenditure of this relatively small sum as sound investment in controlling illicit narcotics traffic. While $25,000 was said to be the amount necessary for this foreign activity, in view of the unobligated balance of this appropriation for 1947 and the savings thus far in 1948, two operators can be maintained abroad with the additional amount of $16,000 provided in the bill.

BUREAU OF ENGRAVING AND PRINTING

Appropriation, 1948	$12,005,000
Supplemental estimate, 1948	1,650,000
Estimate, 1949	12,830,000
Recommended in bill, 1949	12,000,000

A supplemental estimate of $1,650,000 for 1948 is for producing additional paper currency, based upon the increase in the volume of redemptions above that originally estimated for 1948. This should be a nonrecurring item, and should not be reflected in the amount required for 1949. Estimates of the work load of this Bureau are somewhat erratic. Although the estimate includes $125,000 for additional equipment, testimony of the Director was to the effect that no need therefor can be seen at the present time. The amount appropriated for 1948 is deemed to be more realistic than that estimated for 1949, and the amount provided in the bill represents a reduction of $830,000 below the 1949 estimate of $12,830,000.

BUREAU OF INTERNAL REVENUE

Appropriation, 1948	$188,000,000
Estimate, 1949	188,000,000
Recommended in bill, 1949	186,736,000

The estimate of $188,000,000 for 1949 has been reduced by $1,264,000 to $186,736,000. Provision has been made in the bill which separates the appropriation for personal services, for which $168,736,000 is recommended; and the appropriation for objects of expenditure other than personal services, for which $18,000,000 is recommended. The limitation proposed by the Budget on expenditures for personal services in the District of Columbia was $16,530,000. This has been reduced in the bill by $530,000 to $16,000,000, since the Bureau in adjusting its operations under the 1948 appropriation did not sufficiently reduce unnecessary and inefficient activities in the Washington office. Thus, no reduction has been made in the funds requested for personal services in the field where the most important enforcement work is and should be concentrated.

Last year the budget estimate for the Bureau was $208,000,000, against which the Congress applied a reduction of $20,000,000 and appropriated $188,000,000. Very strong criticism of this action was voiced by Treasury Department spokesmen, and when the President signed the Treasury-Post Office appropriation bill for 1948, he released a statement which read in part as follows:

> I am advised by the Secretary of the Treasury and the Commissioner of Internal Revenue that the reduction of $20,000,000 in the appropriation of the Bureau of Internal Revenue will mean a reduction in personnel of 4,000 to 5,000 employees and will result in a direct loss of revenue of not less than $400,000,000 in fiscal year 1948.

A large part of the criticism of the committee and the Congress in this respect was based upon the often-repeated concept advanced by the Bureau of Internal Revenue that for each $1 of funds spent by it $20 in revenue is collected. It should be noted that the Bureau of Internal Revenue requested the President to ask Congress for $213,000,000 for 1948. The President reduced this request by $5,000,000, and using the same arithmetic by which the figure in the aforementioned statement was computed, the President caused a loss of $100,000,000 in revenues by his own action. But since last July the President has decided that the amount appropriated for the Bureau for 1948 will be adequate for 1949, and it should be noted that a distinct change has occurred in the $20 for $1 ratio. The Commissioner of Internal Revenue testified that:

> For the fiscal year 1947, for every dollar spent we received in return $22.75 and for the first 4 months of 1948 for every dollar we spent, we received in the way of production $27.83.

This often-cited ratio fluctuates. Apparently the Bureau divides tax revenues by its expenditures for the equivalent period and arrives at this ratio of production. There is thus no magic formula whereby x dollars spent on salaries and expenses for the Bureau produces y dollars in revenue. The revenue has flowed in, either regardless of the efforts of the Bureau or because the Bureau has settled down to work and improved its effectiveness. But the mere correlation of these statistical data is not proof that the one figure determines the other. Enforcement activities doubtless result in the discovery and collection of unreported or erroneously reported taxes. The productivity of such efforts, however, is not measurable solely in terms of dollars spent for salaries and expenses of the Bureau. Such productivity is dependent upon the degree of efficiency and effectiveness of the operations of the Bureau and not merely upon the total number of persons on the pay roll.

When the 1948 appropriation for the Bureau was under consideration the Bureau pointed out that it audits 3 percent of the tax returns filed each year, and such audits are said to be productive of increased tax collections. Notwithstanding approximately a 10-percent reduction in appropriations for 1948, the Bureau is still able to audit 3 percent of its returns. The Commissioner testified that this is attributable to increased efficiency on the part of the investigative force. Obviously, a reduction in appropriations was helpful to the Bureau and seems to have encouraged increased efficiency and output.

It should be noted that statistics of the Bureau's enforcement accomplishments contain inflated figures. Bureau officials admit that when a tax assessment is made the amount is counted in enforcement

figures, and when a warrant for collecting the same tax is issued the amount is again counted. These officials state, however, that the amount of inflation in enforcement figures is small. Inaccurate figures offered as a basis for budgetary action provide no basis for enhancing the confidence of the committee in any agency.

In its report last year the committee stated that enforcement activities of the Bureau and the Alcohol Tax Unit should not be curtailed because of reduced funds. The conference report on last year's bill, which was duly considered and adopted by both Houses, directed that enforcement activities of the Bureau should not be curtailed. The Bureau, however, did not follow these instructions.

Complaints of inefficiency in the operations of the Bureau have been heard for many years, and last year led the committee to institute an investigation. The investigators' report pointed out many glaring inefficiencies but, when interrogated thereon, Bureau officials in general denied or sought to explain away nearly all allegations of inefficiency.

The investigators found discipline and administrative control lax in the Washington office of the Bureau, and estimated that it is securing no more than six productive hours of work per day, on the average, from its employees. In the face of such conditions, the Congress is urged to appropriate large sums of money to support, in effect, loafing on the job. This is like stoking the furnace while the upstairs windows are open. The Commissioner testified that he has taken steps to correct this situation and will take stronger action if necessary. If the Commissioner finds it necessary to discharge supervisory personnel for failure to exercise proper control over employees, he should receive the full support of all concerned.

The investigators found that the training division of the Bureau is "an aggravated example of inefficiency and lost motion." The Commissioner agreed to look into this matter. Reports of the Bureau's own field supervisors contain repeated references to the fact that employees are not keeping current in their correspondence instruction courses. The Bureau puts great importance on the completion of correspondence studies by its personnel, and considers such activity in connection with employee efficiency ratings. The committee is led to believe, however, that in actual practice this policy is not fully carried out in assigning efficiency ratings. The training program should either be reduced or employees should be required to utilize it more fully, and delinquencies in respect to such training should be given greater weight in actual efficiency ratings.

There are indications of cumbersome procedures and an inordinate degree of specilization in certain departmental units of the Bureau. These should be thoroughly surveyed and the results reported to the committee next year. The office of the chief counsel is one of the units referred to, and there is some indication that this office is overstaffed.

The audit review divisions in the Washington office of the Bureau appear to be engaging in much duplication of the efforts of the field units, and the committee feels that economies in these divisions can be effected without impairment of necessary service.

The personnel of these divisions are generally in lower salary grades than are the field employees whose work they review, and the small number of errors found in such reviews do not appear to warrant the

procedure. It should be reduced or eliminated, and it is to this end that part of the reduction in the amount available for expenditure at the seat of Government has been made.

The most serious defect in the organization and operations of the Bureau is the fact that the men who are charged with the actual collection of the revenue, the collectors, are political appointees. The Commissioner, who administers the entire Bureau, does not have effective control over the collectors throughout the country. Whether collectors of internal revenue actively attend to the affairs of their offices or merely bask in their patronage appears to be largely a matter of their own volition.

The committee recommends the enactment of legislation whereby the appointment of collectors of internal revenue would be removed from the patronage system and placed under civil-service laws and regulations. This would be a major progressive step in the operations of the Bureau, even though the administration of the civil-service system is badly in need of widespread improvements.

In the course of their survey the committee investigators visited the office of the collector of internal revenue in Boston, Mass. An extremely lax and inefficient administration was discovered. Evidence found in the files of the assistant collector was highly indicative of violations of the Hatch Act.

In Hartford, Conn., officials in the office of the collector of internal revenue have been indicted for violations of the Hatch Act.

Two employees in the office of the collector of internal revenue in Newark, N. J., recently flushed several bundles of income-tax records down a drain. This was not discovered for several months, resulting in costly confusion. Proper supervision in this office would seem to have either prevented such an incident or reduced the ensuing confusion and cost.

It was brought out in the hearings that a grand jury investigation was scheduled to start on February 23, 1948, with respect to alleged political activity in the office of the collector of internal revenue at Milwaukee, Wis.

The cashier in the office of the collector of internal revenue in Wilmington, Del., was recently convicted of embezzlement. Reports of the Bureau's own field supervisors, which are printed in the hearings on the bill, establish the fact that the collector at Wilmington had definite notice of irregularities on the part of his cashier many months before the defalcations were reported to the Bureau in Washington. Also the Bureau had notice in a report from its own field supervisor dated October 31, 1946, that the cashier was not complying with the Bureau's accounting regulations. The following quotations from this report are significant:

> In the absence of any kind of a record or work sheet reflecting settlement of the cash drawer, it could only be concluded that the same carelessness and neglect attended the reconciliation of cash receipts.
>
> * * * and Mr. Flynn's signature to the monthly Form 68 constituted a falsification of facts and figures.

Other inefficiencies in varying degree were found in other collection districts throughout the country. Copies of numerous reports of the Bureau's own supervisors of accounts and collections are contained in the hearings, with comments thereon by the Bureau. These reports from the Bureau's own files conclusively establish that ex-

treme laxity and gross inefficiency pervade many collectors' offices, and the action reported thereon by the Bureau leads the committee to conclude that the standards of efficiency and administrative control observed by the Bureau are entirely inadequate.

There appears to be an unnecessary and cumbersome degree of specialization in the work of enforcement personnel. The organizational structure and lines of administrative authority, including the inconsistent alinement of field organizations of the various units of the Bureau, the accounting and control of appropriated funds, and many other aspects of the management of the Bureau should be subjected to thorough objective analysis and revision.

It is recommended that the Commission on Organization of the Executive Branch of the Government undertake a thoroughgoing analysis of the Bureau of Internal Revenue at the earliest possible moment. The great importance of this agency which collects the revenues for operating the Government requires that it be given the highest priority in the Commission's program.

SECRET SERVICE DIVISION

Appropriation, 1948	$2, 813, 400
Supplemental estimate, 1948	10, 700
Estimate, 1949	2, 819, 600
Recommended in bill, 1949	2, 814, 600

The only reduction in estimates of appropriations under the Secret Service Division is $5,000 for salaries and expenses for the guard force for Treasury buildings. The budget provides for a reduction in guard personnel but includes no equivalent reduction in expenditures for objects other than personal services. As already indicated under the discussion of departmental offices, the committee recommends that the guard force be returned to the office of the Secretary. Its operations are of a routine nature and are not the same specialized type of police work as that of the Secret Service. The budget estimates for salaries and expenses of the Secret Service and the White House Police have been approved in full by the committee. Protection for the President and the President-elect in an election year will require adequate funds, and criminal activities such as counterfeiting, which is on the increase, should not be neglected.

BUREAU OF THE MINT

Appropriation, 1948	$6, 467, 500
Estimate, 1949	4, 696, 000
Recommended in bill, 1949	4, 505, 000

Although the budget estimates for the Bureau of the Mint have been reduced from the amount appropriated for 1948, principally because of the reduced demand for coin, inspection of its budget shows that it generally overestimates requirements for funds. There were unused balances of the amounts appropriated for the past 3 years, including $891,413, in 1946; $1,622,788, in 1947, and an estimate of $1,557,000, in 1948. The estimates of $4,696,000 for 1949 have been reduced by $191,000, which should not prevent the bureau from employing auditors necessary to the gold and silver programs, as contemplated by the estimates.

BUREAU OF FEDERAL SUPPLY

Appropriation, 1948	$1, 480, 000
Estimate, 1949	11, 620, 000
Recommended in bill, 1949	1, 550, 000

The estimate for the direct appropriation for salaries and expenses of this Bureau for 1949 is the same amount as authorized for 1948, $1,310,000. Additional administrative expenses for its operations, however, are obtained from its capital account known as the general supply fund. Expenses paid from this fund for 1948 are estimated at $4,418,000. An appropriation of $10,000,000 is requested to increase the general supply fund from its present amount of $8,000,000 to $18,000,000. An increase of $500,000 over the 1948 amount of administrative expenses derived from this fund is estimated for 1949 under the proposed capital increase.

Much of the authority under which the Bureau of Federal Supply conduets and implements its operations is carried in the annual appropriation bill. The aetivities of the Bureau are increasing rapidly, and the testimony of the Direetor indieates that plans are being made and legislation is being prepared for extensive expansion of the scope of the Bureau's operations. The committee has been informed that the Bureau of the Budget is preparing legislative proposals, which, though still in preliminary stages, apparently will bring some of the funetions of the surplus property disposal program under this Bureau and transfer the Bureau from the Treasury Department to the Federal Works Ageney. And the Commission on Organization of the Executive Braneh of the Government is surveying Government-wide supply and procurement activities.

It would be premature to recommend an appropriation which would more than double the general supply fund, and thus provide for a great expansion of the operations of the Bureau of Federal Supply, while important studies and legislative proposals relating to its operations are being developed. Its activities should reeeive careful serutiny by the proper legislative eommittee before its scope is enlarged, and the committee is not disposed to reeommend to the House that legislative authority for this Bureau be earried in an appropriation bill after 1949. It is reeommended, however, that such language be earried in the bill for 1949, since its elimination would result in preeipitous interruption of a going program.

Apart from the faet that reorganization of the Bureau of Federal Supply is under eonsideration there are other substantial reasons why the eommittee recommends that the general supply fund should not be increased at this time. Centralization of proeurement and supply funetions of the Government appears to be meritorious for certain standardized supplies and equipment. Though savings in net cost to the Government are alleged under centralized proeurement, no convineing evidenee has been presented to the committee that all Government proeurement or even a greatly expended program thereof could be eeonomically and effieiently centralized under the Bureau of Federal Supply or any other agency. Some Government establishments allege and some, sueh as the Post Office Department, have offered proof that they can purehase more economieally than can the Bureau of Supply some of the items required for their operations. The reason given for increasing the general supply fund is that of inereasing the volume of centrally proeured supplies for Government

agencies. This would require the financing of larger inventories, and increased working capital would be needed to finance the lag between payments to suppliers and the liquidation of accounts receivable. A year or so ago the average time required for the Bureau of Federal Supply to collect amounts due from Government agencies was 90 days. Testimony reveals that by efforts on the part of Federal Supply officials, this period has now been reduced to approximately 45 days. The cumbersome and outmoded system of checks and balances of controlling Federal funds under the warrant procedure is a factor which makes elimination of the lag in collections difficult. However, the results already accomplished prove that improvements can be made, and they must be made. It would be the worst kind of public policy to appropriate money to offset the propensity of Government administrators not to settle their accounts and pay their bills promptly. Testimony indicates that it is possible for operating agencies requisitioning from or through the Bureau of Federal Supply to advance purchase funds from their appropriations when accompanied by specific orders. Therefore, the committee has not included funds in the accompanying bill to increase the supply fund.

There are other operations of the Bureau of Federal Supply, the value of which are highly doubtful, such as the special furnishings section. The printing section of the purchase branch is said to edit all manuscripts of the Treasury Department submitted for printing, allegedly saving money. However, what often happens is merely the verbatim retyping from one form to another, a complete duplication of effort, and a completely wasteful operation.

The appropriation for printing and binding for the Bureau of Federal Supply covers the costs of printing the Daily Treasury Statement as well as certain reports wholly unrelated to the operations of this bureau. Printing and binding funds are also provided for the respective bureaus, including the Bureau of Accounts which prepares and publishes the Daily Treasury Statement. The principle specified previously in this report, that of having appropriations conform to the operations and functions of the various units, should be followed with respect to the Bureau of Federal Supply as well as all other units of the Department in the budget for 1950.

Estimates totaling $1,620,000 for salaries and expenses, printing and binding, and expenses for determining net renegotiation rebates have been reduced by amounts aggregating $70,000 which can readily be absorbed. An increased transfer in amount of $30,000 from the general supply fund for printing and binding is, however, recommended.

TYPEWRITER PURCHASES

As indicated in its report on the Treasury-Post Office Appropriation bill for 1948, the committee instituted a survey of Government requirements for typewriters. The report of this investigation revealed that the Government now has a staggering number of typewriters on hand. As of August 1947 the Federal Government had approximately 1 typewriter for each 2.5 Federal employees, and had approximately 3.6 typewriters for each of the stenographers, typists, and correspondence clerks employed. The report also revealed that there were nearly 15,000 electric typewriters on hand as of August 15, 1947, and various agencies proposed to purchase 900 additional electric type-

writers in 1948. Thus, during the period when ordinary typewriters have been difficult to obtain, some agencies have been purchasing electric typewriters for more than double the regular commercial price of ordinary mechanical typewriters. While many typists doubtless prefer to use electric typewriters, owing to their ease of operation and the large number of copies which their use makes possible, there is no measurable reduction in cost or increase in efficiency to the Government in the use of such machines except for isolated and specialized work. There has not been and will not be any reduction in the number of typists requested by the departments and agencies as a result of the purchase of electric typewriters regardless of any alleged increases in efficiency, and the net effect will be the increased cost to the taxpayers of such machines.

In summary, it is obvious that the Government now has more than an adequate supply of typewriters to meet all requirements for the coming year. This being the case, there is no justification for the purchase of a single typewriter, ordinary, electric, portable, or otherwise, during the fiscal year 1949. To permit the purchase of typewriters under these conditions would be a breach of trust on the part of the Congress in these times when the crushing expenses of Government are already a portentous menace to our system of free enterprise. In this connection, the question of possible discrimination against manufactures of typewriters is brought up. Demand for typewriters on the part of business and institutional customers and private individuals currently exceeds production capacity. It would thus be to the advantage of typewriter manufacturers to have a moratorium on purchases by the Government during the period when the available supply is inadequate for the demands of private users. Therefore, the committee has inserted a provision in the accompanying bill which prohibits the purchase of any typewriters by the Government in the fiscal year 1949.

While there is no question that the total supplies of typewriters now owned by the Government will more than fill all essential requirements, it is possible that the departments and agencies which have surplus machines will not necessarily be the ones whose requirements may expand in the coming year. To overcome this possibility, provision has been made in the bill whereby surplus typewriters will be surrendered to the Bureau of Federal Supply for redistribution to other agencies needing additional or replacement machines. The Bureau of Federal Supply has trucks, warehouse facilities, a typewriter-repair shop with trained personnel, and also has a Government Requirements Division already experienced in redistributing stocks between agencies. In addition it has a revolving fund, which can be drawn upon on a temporary basis to cover the costs of administration, hauling, repairing, and storing typewriters in the process of redistribution until the agencies receiving typewriters from the central stocks can be charged by the Bureau of Federal Supply. This is the only Government agency with these unique characteristics, which is the reason it was selected for carrying out this activity.

TITLE II—POST OFFICE DEPARTMENT

For the postal service a total of $1,691,269,250 is contained in the bill for departmental and field activities in 1949, representing a reduction of $19,375,250 in the budget estimates, and an increase of $85,335,700 over appropriations for 1948. However, supplemental estimates now pending for 1948 total $141,318,800, and if this amount is added to appropriations already made for 1948, the sum provided in the bill represents a reduction of $55,973,100 below the total 1948 figure.

POSTAL REVENUE AND EXPENDITURES

Although the Committee on Appropriations has emphasized this matter previously, it is important in considering the budget for the postal service to bear in mind certain factors which are not involved in the consideration of other parts of the budget. A very large portion of the cost of operating the postal service is predetermined by or in pursuance of statute. The Postmaster General has authority to appoint certain types of employees in such numbers as are needed to render service which the Department is required by law to perform. Such authority is obviously necessary in order that the mail be moved and delivered whenever, wherever, and in whatever volume it is delivered to post offices. The rates of compensation paid to postal employees are fixed by law. The rates charged by railroads for hauling mail are fixed by the Interstate Commerce Commission, and the rates paid for air-mail transportation are determined by the Civil Aeronautics Board. The calculation of the amounts to be appropriated for operating the postal service from year to year is thus entirely a process of making the most accurate estimate possible as to the volume of mail to be deposited by the public in post offices, and on the basis of applicable laws, to determine how much money will be required to move and deliver that volume of mail. Therefore, considerations such as how much of the available Government revenues can wisely be allocated to moving the mail are for the most part academic in the process of making appropriations for the Post Office Department.

The fiscal year 1948 demonstrated the principles under discussion. Under the annual budgetary cycle, estimates of appropriations, which are based on estimated mail volume, for the fiscal year ending June 30, 1948, were first prepared in July of 1946. At that time all indications were that postal revenues would follow the moderately downward trend then operative and would approximate $1,257,400,000. (The volume of postal revenues is indicative of the volume of mail and service transactions.) Congress acted on the postal budget, and appropriated $1,531,661,050 for operating the postal service in 1948. Meanwhile, during the 12 months which had elapsed since the preparation of estimates on which such appropriations were based, the Post Office Department found that the trend of postal business instead of declining was showing a marked rise. Supplemental estimates for appropriations totaling $162,384,100 were submitted to the Congress just as the fiscal year 1948 began. The committee recommended that a "wait-and-see" attitude be adopted, and $74,272,500 was appropriated, with authority for the Department to draw

heavily upon its available funds in the first part of the year in the event of continuing increases in mail volume.

While the time-consuming process of translating postal-revenue statistics into volume and number of pieces of mail for the first 6 months of fiscal year 1948 has not yet been completed, figures for that period indicate the largest volume of postal receipts in history. Revenues for the first half of 1948 were approximately $719,000,000, an increase of 12.4 percent over the equivalent 6 months of the previous year, indicating that total revenues for the year will probably exceed $1,400,000,000. Total postal revenues for 1949 are estimated in the budget at $1,384,732,000. This estimate was made more than 6 months ago and postal business meanwhile has increased at a rate which now indicates that the 1949 budget may well be too low. If this proves true, the appropriations recommended in the bill for 1949 may prove inadequate. Therefore, the committee can see no wisdom in making substantial reductions in the budget estimates for the Post Office Department.

MANAGEMENT OF THE POST OFFICE DEPARTMENT

For the first time in history, a career employee has become Postmaster General. The committee has great confidence in Mr. Donaldson's ability and integrity, and congratulates him on his achievement.

His appointment has had a highly beneficial effect on the morale of postal workers. This, coupled with the fact that the postal service is now completing its postwar readjustments in personnel, affords the incumbent Postmaster General an opportunity to apply his wide knowledge of postal operations so as to institute all possible improvements in efficiency and reductions in costs in the operation of the postal establishment.

SALARIES, DEPARTMENTAL BUREAUS AND OFFICES

The general increase in postal business increases somewhat the work loads of the various departmental offices. Therefore, the amounts contained in the bill for nearly all departmental offices are greater than amounts provided for 1948. The committee recommends such increases to provide for additional employees to aid in controlling the allocation of funds for field operations throughout the country. While increases over 1948 are recommended in most instances, the committee feels that the increases requested in the budget are not fully justified, and has reduced the 1949 estimates somewhat for all departmental offices.

For the office of the Postmaster General, an increase of $20,000 over the 1948 appropriation of $406,600 has been provided to cover the cost of the safety program. This is a meritorious activity which should be pushed with vigor. Other requested increases have not been granted, since a realinement in personnel by reducing public relations and personnel staffs can be effected so as to provide positions for other types of activity deemed necessary for this office.

The Office of Budget and Administrative Planning has been granted part of the increase requested. This Office was established only 6 years ago, and the amount of $65,000, which is a reduction of $3,300 below the estimate for 1949, is more than double its initial appropria-

tion in 1943. The committee feels that the increase provided is adequate. The establishment, possibly under this office, and as may be recommended by the legislative committee, of a research laboratory for making engineering studies to reduce the volume of manual labor in handling and moving the mails would be a most progressive step, and there is great need for continuing analysis of postal procedures and methods.

Twenty new positions were requested for the Office of the First Assistant Postmaster General, at a cost of approximately $50,000. The explanation made for part of this increase was to reduce the backlog of work in this Office, which is not considered by the committee as an adequate justification. The estimate of $1,200,000 has been reduced to $1,162,500 in the bill.

The Office of the Second Assistant Postmaster General requested 12 new positions for 1949 at a cost of $48,000. However, the work-simplification program and a direct survey are reportedly resulting in the saving of the equivalent of 17 positions per year. These savings should provide adequate funds for new or expanding activities and reclassifications, and only a small increase for automatic salary advances is recommended. The estimate of $990,000 has been reduced to $928,000 in the bill.

No new positions are requested for the Office of the Third Assistant Postmaster General, and the increase requested is attributed to automatic salary advancements and costs of normal personnel turnover. This appears to be excessive, and only part of the requested increase is provided in the bill. The amount of $1,350,000 is recommended, a reduction of $12,000 below the estimate of $1,362,000. The preliminary report of the Committee on Post Office and Civil Service indicates that more modern mechanical devices and methods could be applied to the systems under this Office with resultant savings. To increase such mechanization, which the committee feels is highly important, $400,000 of the appropriation for miscellaneous supplies and equipment has been reserved for the acquisition of machines for activities under the jurisdiction of the Third Assistant Postmaster General.

The increase requested for the Office of the Fourth Assistant Postmaster General would provide for 35 additional employees, including 16 to restore positions abolished under recommendation of the committee last year and 19 new positions. Increases for the Topography Division are not deemed justified. Map reproduction methods now used appear to be antiquated and should be modernized with resultant savings in cost. Two additional positions appear to be justified for the Division of Post Office Quarters, but the increase recommended for administering the vehicle service is not approved by the committee. The vehicle service badly needs improved administration, but manpower for augmenting the archaic methods and policies now prevailing with respect to this service would be merely nurturing obsolescent operating concepts. One engineer and one additional stenographer appear to be justified for the Division of Public Buildings Operation. Less than half the increase requested for this office is provided in the bill. The estimate of $823,000 has been reduced to $752,000 in the bill.

The estimate of $250,000 for the office of the Solicitor is approved in full, as there is considerable work to be done on rail and air mail rates.

The Solicitor should continue to intervene for the Department in all transportation rate cases, and should be constantly alert to the possibility of initiating petitions for transportation rate reductions.

The office of the Chief Inspector, for which the estimate of $408,100 was reduced to $405,000, has been granted a small increase over 1948, and the estimate of $85,000 for the office of the Purchasing Agent is approved in full.

The Bureau of Accounts has had unused balances in its appropriation in each of the past 2 years, and expenditures in the first part of 1948 are less than the amount available. The estimate of $525,000 has been reduced to $485,000. The committee encourages the saving of unnecessary funds, but, based on the recent experience of this office, feels that a reduction of the 1949 estimate is in order.

Part of the increase requested for contingent expenses has been provided in the bill. The estimate of $204,300 has been reduced to $160,000. The increase for furniture is based, in part, on additional employees requested for various bureaus. As these increases have not been granted, additional furniture for them will be unnecessary. Funds for the purchase of 200 typewriters will not be necessary in view of the provision contained in title I of the bill. The amount contained in the bill for contingent expenses is based on the rate of expenditure during the first 5 months of the current year.

Two million dollars has been provided for printing and binding for the department and postal service, which is an increase of $50,000 over the amount appropriated in 1948 but a reduction of $228,000 in the estimate of $2,228,000 for 1949. In the interest of economy, the Post Office Department should make every effort to hold this expenditure down, and the exercise of better control of printed forms in the field service appears possible. The increased estimate is due partly to increased printing costs, which must be considered, but also to increased volume in printing, which can be controlled.

INSPECTION SERVICE

Appropriation, 1948	$6, 493, 000
Estimate, 1949	6, 641, 100
Recommended in bill, 1949	6, 541, 000

The Bureau of the Budget reduced the amount requested for salaries of inspectors because permissive promotions were being made too fast, and no provision is made in the personnel tabulation for lapses occasioned by personnel turn-over. While the committee is not inclined to recommend reductions which would reduce the number of inspectors to be employed, by decreasing the number of permissive promotions and eliminating funds to compensate for unused balances which remained in previous years, a reduction in the estimates for 1949 can be made. This has been carried out in the bill. Similar considerations are applicable with respect to appropriations for travel and miscellaneous expenses and clerks of the inspection service. No justification for increasing the appropriation for payment of rewards has been submitted, in the opinion of the committee.

COMPENSATION TO POSTMASTERS

Appropriation, 1948	$87, 470, 000
Estimate, 1949	88, 470, 000
Recommended in bill, 1949	87, 900, 000

There is an estimated unused balance in this appropriation for 1948 in the amount of $1,331,000, so the increase requested for 1949 actually amounts to $2,331,000. There were unused balances in 1945 and 1946, showing a tendency to overestimate this item. The estimate of $88,470,000 has been reduced to $87,900,000.

While salaries of postmasters generally follow the trend of postal receipts, they do not fluctuate in direct proportion thereto. Therefore, the current rising trend of revenue does not necessarily call for an equivalent increase in this appropriation. It should be pointed out that salaries of postmasters are fixed by statute, and the amount of the appropriation does not in any way affect the salary of any postmaster.

ASSISTANT POSTMASTERS

Appropriation, 1948	$12, 800, 000
Estimate, 1949	12, 850, 000
Recommended in bill, 1949	12, 500, 000

The Bureau of the Budget reduced the Department's estimate for funds under this item by $1,650,000. There have been in each of the past 3 years unused balances in amounts appropriated for this purpose, and during the first half of 1948, actual expenditures have run at a rate below the total funds available. Increased postal receipts have a very minor effect on the salaries paid to assistant postmasters. In view of the foregoing, a reduction of $350,000 below the estimate of of $12,850,000 has been effected in the amount recommended for this item.

CLERKS, FIRST- AND SECOND-CLASS POST OFFICES

Appropriation, 1948	$487, 400, 000
Supplemental estimate, 1948	34, 600, 000
Estimate, 1949	531, 000, 000
Recommended in bill, 1949	530, 000, 000

This appropriation is highly sensitive to the volume of mail and service transactions, and the increased volume of postal business justifies the appointment of new regular clerks as requested by the Department. However, it is doubtful, in view of the shortage on eligibility registers of applicants for regular positions, that the Department can convert substitutes to regulars as rapidly as it anticipates and desires. Therefore, the estimate of $531,000,000 has been reduced by $1,000,000. Increases in overtime and night-work differential are requested, and every effort should be made to hold compensation for such work at a minimum. In addition, it is hoped that the Postmaster General will utilize his wide knowledge of the postal system to the fullest possible extent in controlling allowances to postmasters, thereby saving as much as possible of the funds provided for this purpose. The increase of the amount provided for 1949 exceeds by $7,000,000 the total amount estimated to be necessary in 1948.

CONTRACT STATION SERVICE

Appropriation, 1948	$3, 500, 000
Estimate, 1949	3, 800, 000
Recommended in bill, 1949	3, 500, 000

This program in the long run accomplishes savings in postal expenditures. It is doubtful, however, that the Department has use for the full amount requested for 1949. The Bureau of the Budget reduced the amount requested by $300,000. Unused balances have run between $200,000 and $350,000 per year in the past 3 years, and the

amount provided for 1948 seems adequate for the coming year. Therefore the estimate of $3,800,000 had been reduced by $300,000.

SEPARATING MAIL AND UNUSUAL CONDITIONS

Appropriation, 1948	$205, 000
Estimate, 1949	221, 400
Recommended in bill, 1949	205, 000

High percentages of the amounts appropriated for these functions in recent years have been unused, leading to the conclusion that the Department overestimates the amounts necessary. Therefore, the committee does not consider the increases requested as justified, and the amounts contained in the bill are the same as those provided for 1948, which represents a reduction of $17,400 below the 1949 estimate of $221,400.

CLERKS, THIRD-CLASS POST OFFICES

Appropriation, 1948	$24, 000, 000
Estimate, 1949	26, 000, 000
Recommended in bill, 1949	25, 500, 000

There were unused balances in this appropriation in each of the past three fiscal years. Testimony indicates that the total number of third-class post offices decreased in 1946 and 1947, with an estimated decrease in 1948. While the process of increasing the number of regular clerks in third-class post offices, as distinguished from substitute clerks, is continuing, the number of regular clerks which are being appointed is in excess of the number of substitutes converted to regulars, which, in effect, creates new positions amounting to about $1,900,000. Owing to the decline in the number of third-class offices and the unduly low estimates of lapses resulting from personnel turnover, the committee recommends that the estimate for 1949 be reduced by $500,000.

DETROIT RIVER POSTAL SERVICE

The 1949 estimate of $12,750 is recommended for this service. The Department should explore the possibility of having operators of the vessels served supply this service, or the use of helicopters.

CARFARE AND BICYCLE ALLOWANCES

Appropriation, 1948	$2, 125, 000
Supplemental estimate, 1948	175, 000
Estimate, 1949	3, 000, 000
Recommended in bill, 1949	2, 800, 000

If the supplemental appropriation request for 1948 for this purpose is granted, the 1949 estimate will exceed the 1948 appropriations by $700,000. The committee is not convinced that such an increase is justified; although in view of the fact that city-delivery service has necessarily been expanded, some increase in carfare and bicycle allowances is in order. The amount provided in the bill is $200,000 less than the budget estimate, and the increase granted over 1948 should be used primarily to facilitate the extension of city-delivery service. The Department should make a thorough survey of possible means of getting carriers to their routes without use of public transportation systems. With a fleet of vehicles as large as that possessed by the Post Office Department, such should be possible and should result in considerable savings.

CITY-DELIVERY CARRIERS

Appropriation, 1948	$295, 300, 000
Supplemental estimate, 1948	20, 000, 000
Estimate, 1949	326, 000, 000
Recommended in bill, 1949	326, 000, 000

The estimate for 1949 for this appropriation is more than $10,000,000 in excess of the amount appropriated plus the supplemental estimate for 1948. This is based on the increased volume of mail and also on the extension of city-delivery service required for delivery of mail to new housing projects throughout the country. Many housing projects for veterans and their families, as well as for the general public, are being located in suburbs. This has required thousands of extensions in city-delivery routes and is not offset by declines in the existing number of routes serving older municipal areas. The committee feels that the estimate for 1949 is entirely justified.

SPECIAL-DELIVERY SERVICE

Appropriation, 1948	$14, 750, 000
Supplemental estimate, 1948	750, 000
Estimate, 1949	17, 000, 000
Recommended in bill, 1949	16, 000, 000

The cost of special-delivery service was greatly increased following enactment of Public Law 134 (79th Cong.), which put special-delivery messengers on a salary basis and provided hourly rates for the use of automobiles. The estimate for 1949 exceeds the amount appropriated for 1948, plus the supplemental estimate for 1948, by nearly $2,000,000. The Department has stated that it contemplates the discontinuance of delivery reports on special-delivery mail, which would lead to considerable economy. The estimate reflects an increased amount for hiring of substitute messengers. The committee feels that the amount estimated for 1949 is excessive, and has provided a reduced amount in the bill. Savings should be possible by the discontinuance of delivery reports and curtailing use of substitutes. The committee expects to inquire further into this matter next year.

The committee has received correspondence from various persons interested in the special-delivery service which implies that the Post Office Department is not giving the most careful attention in the operation of the special-delivery service. The complaints allege that the Department desires by inflating the cost under Public Law 134 to ultimately cause its repeal. The committee is unable to affirm the accuracy of such allegations and hopes they are unfounded. The Department is urged to do everything possible to keep the cost of this service at a minimum with a view not only of reducing Government expenditures, but to silencing any unfair criticism.

RURAL DELIVERY SERVICE

Appropriation, 1948	$131, 167, 000
Estimate, 1949	135, 719, 000
Amount recommended in bill, 1949	135, 719, 000

The estimate for 1949 reflects an increase of $4,552,000 over the amount provided for 1948. The increased volume of mail, together with construction of new housing, justifies the requested increase in this appropriation. It is highly important that the Department con-

tinue its survey relating to the consolidation of rural routes and that it effectuate all possible consolidations so as to reduce the cost of this service.

STAR-ROUTE SERVICE

Appropriation, 1948	$23, 213, 000
Supplemental estimate, 1948	765, 000
Estimate, 1949	25, 501, 000
Recommended in bill, 1949	25, 501, 000

The appropriation for star-route service formerly related only to star routes within the continental limits of the United States. A separate appropriation was previously made for star-route and air-mail service in Alaska. A rearrangement of appropriations has included in this item overland star-route service both within the continental limits of the United States and in Alaska, and has transferred the cost of Alaskan air-mail transportation to the appropriation for domestic air-mail service.

Increases in this appropriation for 1949 are based on the necessity for instituting new star routes and extending present star routes to supplement delivery of mail to points not served at all by railroads or served on inadequate train schedules. Star route contracts expiring during the fiscal year 1949 are also estimated to be at increased rates when relet, owing to the increased cost of operating and maintaining vehicles. Also, in view of the fact that the law under which contracts for star-route service are let provides that contractors may cause their contracts to be readvertised, it is estimated that new contracts let in 1949 under this provision of law will reflect marked increases.

The Department plans an expansion of the highway post-office service wherever possible to substitute for discontinued rail service, and there is a greatly accelerated trend in the discontinuance of railroad service in many parts of the country at the present time. Highway post-office service is proving to be a comparatively economical and efficient method of moving mail, and the committee reiterates its prior approval of the expansion of this service.

One hindrance to the establishment of highway post-office service in many parts of the country is the absence of Government garages, which are necessary for upkeep and maintenance of the vehicles used. It was testified that the Department had contacted operators of bus lines in an effort to have them bid on operating highway post offices. The committee feels that every effort should be made to encourage bus operators to undertake this service in order that their garage and other facilities might enable the establishment of this type of service in areas where railway service is either inadequate or not available, and in cases where railway service proves more expensive than highway service.

RAILROAD TRANSPORTATION

Appropriation, 1948	$145, 000, 000
Supplemental estimate, 1948	59, 920, 000
Estimate, 1949	165, 881, 000
Recommended in bill, 1949	165, 881, 000

The appropriation for 1948 and the estimate for 1949 were based on railroad mail rates in effect up to December 1948 and the anticipated volume of mail to be transported in the respective periods. The volume of mail has increased substantially in 1948, by more than 13

percent over that estimated before the fiscal year began, which accounts for $22,144,000 of the supplemental estimate for 1948. In December 1947 the Interstate Commerce Commission ordered an interim increase of 25 percent in railroad mail rates retroactive to February 19, 1947. The fiscal 1948 portion of this increase amounts to $37,775,820, as reflected in the supplemental estimate. As the estimate for 1949 was prepared prior to the date this rate increase was ordered, it will most likely be inadequate for 1949 operations. The full amount of the budget estimate is provided in the bill.

Special contracts with railroads are authorized by statute for transportation of mails where the Postmaster General believes special conditions warrant higher rates. Testimony reveals that there were six such special contracts in effect as of July 1, 1947, providing for an annual increase over regular rates in amount of $111,763. The committee questions the necessity for such special contracts, and desires that the Department undertake a survey to ascertain the possibility of their discontinuance.

New streamlined railway-post-office cars, which have proved very satisfactory to the postal service, are being put into operation. The Department should endeavor to obtain the use of additional new and more economical cars.

RAILWAY MAIL SERVICE, SALARIES

Appropriation, 1948	$104, 100, 000
Supplemental estimate, 1948	3, 900, 000
Estimate, 1949	109, 195, 000
Recommended in bill, 1949	109, 188, 000

The increase in the estimate for 1949 amounts to $1,195,000 more than the appropriation for 1948 and the supplemental estimate for 1948. Approximately 500 positions will be converted from substitute status to regular, which occasions very little increase in total cost but should improve efficiency. The principal item of increase for 1949 is automatic salary increases. Owing to the increased mail volume the amount provided in the bill equals the estimate for 1949, except for a minor reduction of $7,000. The Department requested authority to employ one general superintendent at large for the highway-post-office service. The committee does not agree that this position is necessary and accordingly has reduced the estimate to offset the elimination of the position. The Department did a commendable job in substantially reducing the cost of overtime and is urged by the committee to continue such reduction.

FOREIGN MAIL TRANSPORTATION

Appropriation, 1948	$19, 500, 000
Supplemental estimate, 1948	14, 600, 000
Estimate, 1949	23, 842, 000
Recommended in bill, 1949	23, 842, 000

The transportation of mail to foreign countries by steamship is paid for by this appropriation. The volume of such mail has increased in the first 5 months of 1948 by more than 80 percent over the equivalent months of fiscal 1947. This great increase is attributable principally to the sending of gift parcels of food and clothing to foreign countries. A number of bills have been introduced in Congress pro-

viding that gift parcels for foreign relief would be accepted by the Post Office Department at reduced rates or free of postage. If such legislation is enacted, the Department estimates that the volume of this type of mail will increase tremendously over the unprecedented quantities currently being sent. The amount recommended in the bill does not include estimates for postage-free or reduced-rate mail, but is predicated on the high volume of foreign mail already experienced.

BALANCES DUE FOREIGN COUNTRIES

Appropriation, 1948	$8, 250, 000
Estimate, 1949	3, 250, 000
Recommended in bill, 1949	3, 000, 000

This appropriation provides a fund from which advances are made to United States-flag air carriers for amounts due them for transporting air mail from foreign countries to the United States. There is a lag in the payment by foreign countries for such service. This fund permits the Department to advance funds to American carriers in anticipation of such payments, and all advances are subsequently recovered. Although the estimate for 1949 was reduced in the bill, a provision in the bill establishes a continuing revolving fund without fiscal year limitation, making $8,000,000 available for this purpose in 1949.

FOREIGN AIR-MAIL SERVICE

Appropriation, 1948	$40, 500, 000
Estimate, 1949	26, 583, 000
Recommended in bill, 1949	19, 500, 000

The amounts necessary for pay of air carriers from this appropriation have not been definitely ascertainable since the end of the war, owing to the fact that the Civil Aeronautics Board has not activated all certificated routes or established final rates for all overseas American-flag carriers. Of the amount appropriated for 1948, more than $13,000,000 is being held in suspense pending action by the Board. No accurate estimate can be made at this time as to the amount needed for 1949, and the amount requested in the budget has been reduced to a figure more in keeping with probable requirements. It is understood, of course, that if and when the Civil Aeronautics Board activates routes certificated or establishes final or increased rates for carriers, the Department will submit supplemental estimates.

DOMESTIC AIR-MAIL SERVICE

Appropriation, 1948	$47, 000, 000
Estimate, 1949	35, 588, 000
Recommended in bill, 1949	32, 000, 000

The 1949 estimate for this appropriation includes $1,117,373 for the operation of routes in Alaska certificated by the Civil Aeronautics Board. The estimate is based on the assumption that there will be no increase in air-mail rates paid to carriers by the Civil Aeronautics Board, and upon an assumed 25 percent increase in volume in 1949 over 1948. The Department stated that the amount required for payments to air carriers is partly dependent upon carriers' revenues from sources other than mail pay, and if other revenues are

higher in 1949, payments from this appropriation could be considerably lower in 1949. All airlines now have rate applications pending with the Civil Aeronautics Board, and the budget estimate is little more than a guess. A reduction in the estimate is reflected in the bill, it being understood that rate rulings by the Civil Aeronautics Board might require supplemental appropriations.

MANUFACTURE OF STAMPS

Appropriation, 1948	$9,400,000
Estimate, 1949	9,911,000
Recommended in bill, 1949	9,335,000

The requested increase for the printing of postal cards appears justified. Testimony reveals that commercial establishments are among the heaviest users of 1-cent postal cards. The Department is required by statute to sell and accept for delivery 1-cent cards, but the committee doubts that it was the intent of the Congress to require the handling of such cards at less than cost for commercial and advertising purposes. The total cost of printing, handling, and delivery of such cards is in excess of the revenue obtained from their sale, and it is presumed that the legislative committee on postal matters will take cognizance of this fact. Although there has been a 10-percent decrease in the sale of stamped envelopes in 1948, the estimate for 1949 contemplates the manufacture of 79,000,000 more envelopes in 1949 than in 1948. Metered mail, which does not require funds from this appropriation, is increasing by leaps and bounds, and although in very small proportion, sales of stamps have decreased in 1948. Therefore, no adequate justification for an increased appropriation has been made with respect to this item, and the amount provided in the bill represents a small decrease below the 1948 amount

POST-OFFICE SUPPLIES AND EQUIPMENT

Appropriation, 1948	$6,500,000
Supplemental estimate, 1948	815,000
Estimate, 1949	7,850,000
Recommended in bill, 1949	7,158,000

The supplemental estimate for 1948 is based upon the increased cost of supplies and equipment since the original 1948 estimate was prepared more than a year and a half ago. The increase in the estimate for 1949 reflects price increases with respect to the supplies and equipment requested, and exceeds the 1948 appropriation plus the estimated 1948 supplemental by $535,000. The Department had 18,748 typewriters on hand as of July 1, 1947, and the estimate includes funds for the purchase of 2,500 typewriters in 1949 at a cost of $207,700. This amount is unnecessary in view of the provision in title I of the bill. The data furnished in support of the estimate also indicated increased purchases of other office machines, and increased amounts of a miscellany of supplies.

Although recognizing that increased prices on purchases must be paid, no adequate justification of the need for increased quantities of such equipment and supplies has been made, and the amount provided in the bill is a reduction of $692,000 below the budget estimate.

The requested elimination of the provision earmarking funds for

the purchase of modern postal devices does not seem advisable. This proviso was originally inserted at the request of the Third Assistant Postmaster General, according to testimony by the Department, and if it is eliminated, it is most likely that no new mechanical devices will be obtained. It is highly important that labor-saving devices be installed to reduce the cost of operations. The committee has observed that certain elements in the Office of the Fourth Assistant Postmaster General appear to be consistently opposed to modernization of postal operations, which is lamentable. The Post Office Department of the United States is one of the largest business operations in the world, and its costs are mounting faster than its revenues are increasing. Every effort to mechanize and streamline its operating methods must be encouraged to the maximum, and it is hoped that officials who do not advocate improvements will not be permitted to obstruct progress.

In its preliminary report, entitled "Survey and Study of the Postal Service" (H. Rept. No. 1242, 80th Cong., 2d sess.), the Committee on Post Office and Civil Service indicated that important savings might be effected by the mechanization of mail-separating operations, and $100,000 has been earmarked in the bill for initiating such a program.

EQUIPMENT SHOPS

Appropriation, 1948	$6, 700, 000
Supplemental estimate, 1948	425, 000
Estimate, 1949	12, 907, 250
Recommended in bill, 1949	12, 800, 000

These shops, which are used for the manufacture of mail bags and locks, have produced savings compared to purchases of such equipment from commercial suppliers. During the war large numbers of bags and pouches were lost and damaged in the transmission of mail to the armed forces overseas, and the shortage of sacks is a serious problem to the Department. The need for new mail sacks and repairs to old sacks is thoroughly justified, and providing the funds requested for this purpose should lead to very large savings next year. Some difficulty was experienced in fiscal 1947 and preceding years in securing competent personnel. The committee believes that competent personnel will not be available to carry out the ambitious program the Department has planned, and a reduction of the estimate has been effected on this account.

The Department desires to expand its shop facilities for the manufacture and repair of sacks and locks. Legislative authority is necessary before an appropriation for this purpose can be made, and the legislative committee now has the matter under consideration. As evidence of the economy involved in the operation of such shops, the Department points out that it is currently paying for one class of sack an average of $3.20 each. Their shops can manufacture the same type sack at present for $2.32. Considering the millions of sacks needed by the Department, it would appear that additional shop facilities would be a sound investment.

VEHICLE SERVICE

Appropriation, 1948	$38, 500, 000
Supplemental estimate, 1948	3, 277, 000
Estimate, 1949	42, 914, 000
Recommended in bill, 1949	42, 000, 000

The total truck fleet of the Department is 10,218 units, of which 7,733 are more than 10 years old, 6,856 are more than 15 years old, 189 are more than 20 years old, and 90 are more than 25 years old. Obviously, the cost of operating vehicles which have been in service for such periods of time is entirely uneconomical. The Department recommends that the entire fleet be replaced as soon as possible, and estimates that the present cost of replacing all vehicles is $22,700,000. Of the total sum required, $4,514,000 is available in 1948, and the estimate of $4,400,000 for 1949 is recommended by the committee in the bill. The balance necessary to effect complete replacement is $13,786,000.

The committee is in general agreement that the entire fleet should be replaced with new vehicles in the interest of economy. However, there are many other factors in the operation of the Vehicle Service which need attention in the interest of economy and efficiency. The officials in charge of this service seem to be inordinately reluctant to discuss this Service from a constructively critical point of view. It is well known that the Vehicle Service has performed in a highly commendable manner. During the war especially it had a remarkable record of maintaining difficult schedules and operating under the most trying conditions. However, the Service is not operated in such manner that unit costs are ascertainable, and it is impossible without adequate cost data to eliminate inefficient operations and take advantage of modern improvements in repair and maintenance methods. The Vehicle Service operates 90 service garages without the benefit of hydraulic lifts for greasing and repairs. Greasing equipment is reported to be not the most economical type. First-aid facilities in garages were testified to be of "standard types," and the Public Health Service has never been requested to survey such facilities for their adequacy. The director of the safety program should put the Vehicle Service at the top of his list in undertaking his new program in the Department, and the committee desires to have a thorough and objective report on the safety standards in garages and all other operations of the Vehicle Service.

Although funds were made available on July 1, 1947, for the purchase of approximately 2,000 trucks, no orders had been placed as of December 11, 1947, when the committee held hearings on the bill. In view of the urgent need for new vehicles, it is difficult to understand why bids were not solicited much sooner. The committee has been informed that the Department rigidly adheres to specifications which have been in effect for many years when purchasing trucks, which prevent some manufacturers who have modernized their designs from bidding. This reduces competition in the bidding on Government purchases, and denies the taxpayers price advantages inherent in a competitive system. Bids were opened in January 1948 for supplying approximately 1,400 trucks for which appropriations were available on July 1, 1947. Only one supplier bid to supply these trucks as complete units, obviously owing to the arbitrary insistence of the Department on outmoded specifications. The early delivery of trucks ordered in fiscal 1947, and the prompt procurement of trucks for which funds have been appropriated in 1948 and recommended for 1949, will permit the Department to replace more than half its present fleet.

The estimate of $42,914,000 for 1949 has been reduced in the accompanying bill to $42,000,000 in anticipation of a reduction in maintenance costs and other economies which can be effected. The Postmaster General should see to it that the oldest and most uneconomical trucks are completely disposed of when new equipment is obtained. The committee will not look with favor upon deficiency or supplemental estimates for operating the Vehicle Service in the future unless full advantage has been taken of all possible economies.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1949

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949

PERMANENT INDEFINITE APPROPRIATIONS

Object	Appropriations, 1948	Estimates, 1949	Increase (+) or decrease (−)
General and special funds:			
Interest on deposits of public moneys of Government of Philippine Islands	$2, 766, 667	$3, 100, 000	+$333, 333
Pershing Hall memorial fund	5, 083	5, 083	----------
Interest on the public debt	5, 200, 000, 000	5, 250, 000, 000	+50, 000, 000
Statutory public debt retirements	818, 509, 810	624, 763, 000	−193, 746, 810
Total, general and special funds	6, 021, 281, 560	5, 877, 868, 083	−143, 413, 477
Trust funds:			
Federal old-age and survivors insurance trust fund	1, 819, 500, 000	1, 896, 774, 000	+77, 274, 000
Unemployment trust fund	1, 404, 050, 100	1, 416, 611, 930	+12, 561, 830
Payment of unclaimed moneys	100, 000	100, 000	----------
American Samoa trust fund	1, 500	1, 500	----------
Puerto Rico trust fund	5, 300	5, 300	----------
Expenses, Prohibition Act, Puerto Rico and Virgin Islands	105, 600	91, 700	−13, 900
Total, trust funds	3, 223, 762, 500	3, 313, 584, 430	+89, 821, 930

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE I—TREASURY DEPARTMENT

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
OFFICE OF SECRETARY OF TREASURY					
Secretary's Office, salaries	$409,000	$409,000	$380,000	−$29,000	−$29,000
Personal or property damage claims	20,000	50,000	30,000	+10,000	−20,000
Penalty mail costs	6,700,000	6,350,000	5,900,000	−800,000	−450,000
Refunds under Renegotiation Act	7,500,000	3,250,000	2,000,000	−5,500,000	−1,250,000
Total, Office of the Secretary	14,629,000	10,059,000	8,310,000	−6,319,000	−1,749,000
Foreign funds control, liquidation	275,000			−275,000	
Division of Tax Research, salaries	200,000	[1] 141,400	110,000	−90,000	−31,400
OFFICE OF GENERAL COUNSEL					
Salaries	250,000	250,000	225,000	−25,000	−25,000
Contract settlement, salaries and expenses	75,000	75,000	75,000		
Total, Office of General Counsel	325,000	325,000	300,000	−25,000	−25,000
DIVISION OF PERSONNEL					
Salaries	127,000	127,000	120,000	−7,000	−7,000

Health service programs	75,000	75,000	70,000	−5,000	−5,000
Total, Division of Personnel	202,000	202,000	190,000	−12,000	−12,000
OFFICE OF CHIEF CLERK					
Salaries	326,000	326,000	300,000	−26,000	−26,000
Miscellaneous expenses	225,000	[2] 253,000	240,000	+15,000	−13,000
Printing and binding	35,000	[3]		−35,000	
Total, Office of Chief Clerk	586,000	579,000	540,000	−46,000	−39,000
Treasury buildings, custodial force, salaries	650,000	650,000	645,000	−5,000	−5,000
FISCAL SERVICE					
BUREAU OF ACCOUNTS					
Salaries and expenses	1,016,000	[4] 1,505,000	1,475,000	+459,000	−30,000
Deposit of withheld taxes, salaries and expenses	460,000	[5]		−460,000	
Printing and binding	60,000	[6]		−60,000	

[1] Excludes $58,600 for activities transferred in the estimates to "Administering the public debt."
[2] Includes $28,600 for activities previously carried under "Printing and binding, Treasury Department."
[3] Estimate of $28,600 for activities previously carried under this item has been transferred in the estimates to "Miscellaneous expenses, Treasury Department."
[4] Includes $527,207 previously carried under other appropriations.
[5] Estimate of $460,000 for activities previously carried under this item has been transferred in the estimates to "Salaries and expenses, Bureau of Accounts."
[6] Estimate of $60,000 for activities previously carried under this item has been transferred in the estimates to "Salaries and expenses, Bureau of Accounts."

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE I—TREASURY DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
FISCAL SERVICE—Continued					
BUREAU OF ACCOUNTS—continued					
Disbursement, Division of:					
Salaries and expenses	$9,935,000	[7] $10,070,000	$10,000,000	+$65,000	−$70,000
Printing and binding	170,000	[8]		−170,000	
Contingent expenses, public moneys	400,000	400,000	375,000	−25,000	−25,000
Recoinage of silver coins	200,000	150,000	150,000	−50,000	
Relief of the indigent, Alaska	14,000	18,000	18,000	+4,000	
Fund for payment of Government losses in shipment		325,000			−325,000
Refund of moneys erroneously received and covered	700,000	700,000	700,000		
Payment of certified claims	700,000	900,000	800,000	+100,000	−100,000
Total, Bureau of Accounts	13,655,000	14,068,000	13,518,000	−137,000	−550,000

BUREAU OF THE PUBLIC DEBT					
Administering the public debt	64,800,000	[9] 53,213,200	51,500,000	−13,300,000	−1,713,200
Distinctive paper for United States currency	1,113,000	1,300,000	1,300,000	+187,000	
Total, Bureau of the Public Debt	65,913,000	54,513,200	52,800,000	−13,113,000	−1,713,200
OFFICE OF THE TREASURER OF THE UNITED STATES					
Salaries and expenses	4,900,000	[10] 5,040,000	4,980,000	+80,000	−60,000
Printing and binding	140,000	([11])		−140,000	
Total, Office of the Treasurer	5,040,000	5,040,000	4,980,000	−60,000	−60,000
BUREAU OF INTERNAL REVENUE					
Salaries and expenses	188,000,000	188,000,000	186,736,000	−1,264,000	−1,264,000
Additional income tax on railroads in Alaska	3,500	4,500	4,500	+1,000	
Total, Bureau of Internal Revenue	188,003,500	188,004,500	186,740,500	−1,263,000	−1,264,000

[7] Includes $170,000 for activities previously carried under "Printing and binding, Division of Disbursement," and excludes $7,207 for activities transferred to "Salaries and expenses, Bureau of Accounts."

[8] Estimate of $170,000 for activities previously carried under this item has been transferred in the estimates to "Salaries and expenses, Division of Disbursement."

[9] Includes $58,600 for activities previously carried under "Salaries, Division of Tax Research and Research and Statistics."

[10] Includes $140,000 for activities previously carried under "Printing and binding, Office of the Treasurer of the United States."

[11] Estimate of $140,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Office of the Treasurer of the United States."

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE I—TREASURY DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
BUREAU OF NARCOTICS					
Salaries and expenses	$1,430,000	[12] $1,434,000	$1,450,000	+$20,000	+$16,000
Printing and binding	4,000	([13])		−4,000	
Total, Bureau of Narcotics	1,434,000	1,434,000	1,450,000	+16,000	+16,000
BUREAU OF ENGRAVING AND PRINTING					
Salaries and expenses	12,000,000	[14] 12,830,000	12,000,000		−830,000
Printing and binding	5,000	([15])		−5,000	
Total, Bureau of Engraving and Printing	12,005,000	12,830,000	12,000,000	−5,000	−830,000
SECRET SERVICE DIVISION					
Departmental salaries	85,000	([16])		−85,000	
Suppressing counterfeiting and other crimes	1,550,000	([17])		−1,550,000	
Salaries and expenses		[18] 1,715,000	1,715,000	+1,715,000	
White House Police:					
Salaries	372,900	([19])		−372,900	

Uniforms and equipment	9,000	[20]		−9,000	
Salaries and expenses		[21] 370,000	370,000	+370,000	
Treasury buildings, guard force, salaries and expenses	720,000	650,000	645,000	−75,000	−5,000
Printing and binding	8,000	[22]		−8,000	
Reimbursement to District of Columbia	68,500	84,600	84,600	+16,100	
Total, Secret Service Division	2,813,400	2,819,600	2,814,600	+1,200	−5,000
BUREAU OF THE MINT					
Director's Office, salaries and expenses	185,000	[23]		−185,000	

[12] Includes $4,000 for activities previously carried under "Printing and binding, Bureau of Narcotics."
[13] Estimate of $4,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of Narcotics."
[14] Includes $5,000 for activities previously carried under "Printing and binding, Bureau of Engraving and Printing."
[15] Estimate of $5,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of Engraving and Printing."
[16] Estimate of $86,600 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Secret Service."
[17] Estimate of $1,620,400 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Secret Service."
[18] Estimate of $1,715,000 is a consolidation of "Salaries, Secret Service Division," "Printing and binding, Secret Service Division," and "Suppressing counterfeiting and other crimes."
[19] Estimate of $361,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, White House Police."
[20] Estimate of $9,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, White House Police."
[21] Estimate of $370,000 is a consolidation of the appropriations, "Salaries, White House Police," and "Uniforms and equipment, White House Police."
[22] Estimate of $8,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses Secret Service."
[23] Estimate of $205,650 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses Bureau of the Mint."

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE I—TREASURY DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
BUREAU OF THE MINT—Continued					
Salaries and expenses	----------	[24] $4, 691, 000	$4, 500, 000	+$4, 500, 000	−$191, 000
Transportation of bullion and coin	22, 500	5, 000	5, 000	−17, 500	----------
Mints and assay offices, salaries and expenses	6, 250, 000	([25])	----------	−6, 250, 000	----------
Printing and binding	10, 000	([26])	----------	−10, 000	----------
Total, Bureau of the Mint	6, 467, 500	4, 696, 000	4, 505, 000	−1, 962, 500	−191, 000
BUREAU OF FEDERAL SUPPLY					
Salaries and expenses	1, 310, 000	1, 310, 000	1, 275, 000	−35, 000	−35, 000
General supply fund	----------	10, 000, 000	----------	----------	−10, 000, 000
Printing and binding	170, 000	170, 000	150, 000	−20, 000	−20, 000
Renegotiation rebates	----------	[27] 140, 000	125, 000	+125, 000	−15, 000
Total, Bureau of Federal Supply	1, 480, 000	11, 620, 000	1, 550, 000	+70, 000	−10, 070, 000
Total, Treasury Department, title I, regular annual appropriations	313, 678, 400	306, 981, 700	290, 453, 100	−23, 225, 300	−16, 528, 600

POST OFFICE DEPARTMENT WASHINGTON, D. C.					
Salaries					
Postmaster General, office of	$375,000	$406,600	$395,000	+$20,000	−$11,600
Office of Budget and Administrative Planning	59,500	68,300	65,000	+5,500	−3,300
First Assistant Postmaster General, office of	1,115,000	1,200,000	1,162,500	+47,500	−37,500
Second Assistant Postmaster General, office of	[1] 1,033,500	990,000	928,000	−105,500	−62,000
Third Assistant Postmaster General, office of	1,332,500	1,362,000	1,350,000	+17,500	−12,000
Fourth Assistant Postmaster General, office of	712,500	823,000	752,000	+39,500	−71,000
Solicitor's office	250,000	250,000	250,000		
Chief inspector's office	400,000	408,100	405,000	+5,000	−3,100
Purchasing agent's office	83,800	85,000	85,000	+1,200	

[24] Estimate of $4,691,000 is a consolidation of the appropriations, "Salaries and expenses, Office of the Director of the Mint," and "Printing and binding, Bureau of the Mint."

[25] Estimate of $4,475,350 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of the Mint."

[26] Estimate of $10,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of the Mint."

[27] Estimate is for activities carried in the fiscal year 1948 under "Working fund, Bureau of Federal Supply, 1947," established by transfer from the War and Navy Departments, the U. S. Maritime Commission, and the Reconstruction Finance Corporation.

[1] Includes $123,500 appropriated in Second Supplemental Appropriation Act, 1948.

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE II—POST OFFICE DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
POST OFFICE DEPARTMENT WASHINGTON, D. C.—continued					
Salaries—Continued					
Bureau of Accounts	$500,000	$525,000	$485,000	−$15,000	−$40,000
Total salaries	5,861,800	6,118,000	5,877,500	+15,700	−240,500
Contingent					
Miscellaneous expenses, Washington	145,000	204,300	160,000	+15,000	−44,300
Printing and binding	[2] 1,950,000	2,228,000	2,000,000	+50,000	−228,000
Total, contingent expenses, Washington	2,095,000	2,432,300	2,160,000	+65,000	−272,300
Grand total, Post Office Department, Washington, D. C	7,956,800	8,550,300	8,037,500	+80,700	−512,800
FIELD SERVICE					
Office of Postmaster General					
Travel and miscellaneous expenses	3,000	3,000	3,000		
Personal property claims	230,000	230,000	175,000	−55,000	−55,000

Adjusted losses and contingencies	[3] 130,000	80,000	75,000	−55,000	−5,000
Total, Office of Postmaster General	363,000	313,000	253,000	−110,000	−60,000
Office of Chief Inspector					
Inspectors' salaries	4,300,000	4,400,000	4,350,000	+50,000	−50,000
Traveling and miscellaneous expenses	960,000	983,100	958,000	−2,000	−25,100
Clerks at headquarters	1,178,000	1,188,000	1,178,000		−10,000
Rewards, payment of	55,000	70,000	55,000		−15,000
Total, office of Chief Inspector	6,493,000	6,641,100	6,541,000	+48,000	−100,100
First Assistant Postmaster General					
Postmasters	87,470,000	88,470,000	87,900,000	+430,000	−570,000
Assistant postmasters	12,800,000	12,850,000	12,500,000	−300,000	−350,000
Clerks, first- and second-class post offices	[4] 487,400,000	531,000,000	530,000,000	+42,600,000	−1,000,000
Contract stations	3,500,000	3,800,000	3,500,000		−300,000
Separating mails at third- and fourth-class post offices	180,000	191,400	180,000		−11,400
Unusual conditions at post offices	25,000	30,000	25,000		−5,000
Clerks, third-class post offices	24,000,000	26,000,000	25,500,000	+1,500,000	−500,000
Miscellaneous items, first- and second-class post offices	3,600,000	4,000,000	3,850,000	+250,000	−150,000

[2] Includes $350,000 appropriated in Second Supplemental Appropriation Act, 1948.
[3] Includes $55,000 appropriated in Second Supplemental Appropriation Act, 1948.
[4] Second Supplemental Appropriation Act, 1948, provides for 6-percent increase in quarterly apportionments and also 5-percent reduction of appropriation for transfer to other First Assistant Postmaster General field appropriations.

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE II—POST OFFICE DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
FIELD SERVICE—continued					
First Assistant Postmaster General—Con.					
Village delivery service	$300,000	$330,000	$300,000		−$30,000
Detroit River postal service	12,750	12,750	12,750		
Carfare and bicycle allowance including special-delivery car-fare	[4] [5] 2,125,000	3,000,000	2,800,000	+$675,000	−200,000
Letter carriers, city delivery service	[4] 295,300,000	326,000,000	326,000,000	+30,700,000	
Fees to special-delivery messengers	[4] [6] 14,750,000	17,000,000	16,000,000	+1,250,000	−1,000,000
Rural delivery service	[7] 131,167,000	135,719,000	135,719,000	+4,552,000	
Total, Office of First Assistant	1,062,629,750	1,148,403,150	1,144,286,750	+81,657,000	−4,116,400
Second Assistant Postmaster General					
Inland transportation:					
Star-route service (transportation)	[8] 22,500,000	[9] 25,501,000	25,501,000	+3,001,000	
Star routes in Alaska	[10] 713,000	(11)		−713,000	
Steamboat or other powerboat routes	[8] [12] 2,000,000	2,133,000	2,133,000	+133,000	

Railroad transportation and mail-messenger service	[8] 145,000,000	165,881,000	165,881,000	+20,881,000	
Railway Mail Service:					
Salaries	[8] [13] 104,100,000	109,195,000	109,188,000	+5,088,000	−7,000
Travel allowance, railway postal clerks	[8] 5,000,000	5,237,000	5,237,000	+237,000	
Travel expenses, officials and supervisors	55,000	66,000	66,000	+11,000	
Miscellaneous expenses	450,000	510,000	490,000	+40,000	−20,000
Electric-car service	210,000	220,000	220,000	+10,000	
Foreign mail transportation (except air mail)	[14] 19,500,000	23,842,000	23,842,000	+4,342,000	
Balances due foreign countries	[15] 8,250,000	3,250,000	3,000,000	−5,250,000	−250,000
Indemnities, international mail	15,000	20,000	15,000		−5,000
Foreign air-mail transportation	[16] 40,500,000	26,583,000	19,500,000	−21,000,000	−7,083,000

[4] Second Supplemental Appropriation Act, 1948, provides for 6-percent increase in quarterly apportionments and also 5-percent reduction of appropriation for transfer to other First Assistant Postmaster General field appropriations.
[5] Includes $325,000 appropriated in Second Supplemental Appropriation Act, 1948.
[6] Includes $750,000 appropriated in Second Supplemental Appropriation Act, 1948.
[7] Includes $2,000,000 appropriated in Second Supplemental Appropriation Act, 1948.
[8] Second Supplemental Appropriation Act, 1948, provides for 4-percent increase in quarterly apportionments and also 5-percent reduction of appropriation for transfer to other Second Assistant Postmaster General field appropriations.
[9] Includes $37,000 for activities previously carried under "Star route and air mail service, Alaska."
[10] Includes $298,000 appropriated in Second Supplemental Appropriation Act.
[11] Estimates of $1,154,373 for activities previously carried under this item have been transferred to other items.
[12] Includes $300,000 appropriated in Second Supplemental Appropriation Act, 1948.
[13] Includes $100,000 appropriated in Second Supplemental Appropriation Act, 1948.
[14] Includes $10,000,000 appropriated in Second Supplemental Appropriation Act, 1948.
[15] Includes $5,000,000 appropriated in Second Supplemental Appropriation Act, 1948.
[16] Includes $35,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recomemnded in bill for, 1949—Continued

TITLE II—POST OFFICE DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
FIELD SERVICE—Continued					
Second Assistant Postmaster General—Con.					
Domestic air-mail transportation	[17] $47, 000, 000	[18] $35, 588, 000	$32, 000, 000	−$15, 000, 000	−$3, 588, 000
Total, Office of Second Assistant	395, 293, 000	398, 026, 000	387, 073, 000	−8, 220, 000	−10, 953, 000
Third Assistant Postmaster General					
Manufacture and distribution of stamps and stamped paper	[19] 9, 400, 000	9, 911, 000	9, 335, 000	−65, 000	−576, 000
Indemnities, domestic mail	[20] 3, 521, 000	3, 898, 000	3, 775, 000	+254, 000	−123, 000
Unpaid money orders	[21] 1, 000, 000	1, 017, 000	900, 000	−100, 000	−117, 000
Total, Office of Third Assistant	13, 921, 000	14, 826, 000	14, 010, 000	+89, 000	−816, 000
Fourth Assistant Postmaster General					
Stationery, equipment, and supplies	6, 500, 000	7, 850, 000	7, 158, 000	+658, 000	−692, 000
Equipment shops	[22] 6, 700, 000	12, 907, 250	12, 800, 000	+6, 100, 000	−107, 250
Rent, light, and fuel	[23] 13, 907, 000	15, 000, 000	14, 500, 000	+593, 000	−500, 000
Pneumatic-tube service (New York and Boston)	700, 000	744, 700	740, 000	+40, 000	−4, 700

Vehicle service	[24] 38, 500, 000	42, 914, 000	42, 000, 000	+3, 500, 000	−914, 000
Transportation of equipment and supplies	[25] 620, 000	1, 099, 000	1, 000, 000	+380, 000	−99, 000
Public buildings, maintenance and operation:					
Operating force	44, 750, 000	44, 685, 000	44, 600, 000	−150, 000	−85, 000
Operating supplies	[26] 6, 850, 000	7, 500, 000	7, 320, 000	+470, 000	−180, 000
Furniture, etc	750, 000	1, 185, 000	950, 000	+200, 000	−235, 000
Total, Office of Fourth Assistant	119, 277, 000	133, 884, 950	131, 068, 000	+11, 791, 000	−2, 816, 950
Total, field service	1, 597, 976, 750	1, 702, 094, 200	1, 683, 231, 750	+85, 255, 000	−18, 862, 450
Total, Post Office, departmental	7, 956, 800	8, 550, 300	8, 037, 500	+80, 700	−512, 800
Total, Title II	1, 605, 933, 550	1, 710, 644, 500	1, 691, 269, 250	+85, 335, 700	−19, 375, 250
Grand total, titles I and II	1, 919, 611, 950	2, 017, 626, 200	1, 981, 722, 350	+62, 110, 400	−35, 903, 850

[17] Includes $10,000,000 appropriated in Second Supplemental Appropriation Act, 1948.
[18] Includes $1,117,373 for activities previously carried under "Star route and air-mail service, Alaska."
[19] Includes $2,000,000 appropriated in Second Supplemental Appropriation Act, 1948.
[20] Includes $1,221,000 appropriated in Second Supplemental Appropriation Act, 1948.
[21] Includes $400,000 appropriated in Second Supplemental Appropriation Act, 1948.
[22] Includes $3,500,000 appropriated in Second Supplemental Appropriation Act, 1948.
[23] Includes $650,000 appropriated in Second Supplemental Appropriation Act, 1948.
[24] Includes $2,000,000 appropriated in Second Supplemental Appropriation Act, 1948.
[25] Includes $100,000 appropriated in Second Supplemental Appropriation Act, 1948.
[26] Includes $100,000 appropriated in Second Supplemental Appropriation Act, 1948.

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NOTICE: This bill is given out subject to release when consideration of it has been completed by the Whole Committee. Please check on such action before release in order to be advised of any changes.

[FULL COMMITTEE PRINT]

Union Calendar No.

80TH CONGRESS
2D SESSION

H. R. 5710

[Report No. 1532]

IN THE HOUSE OF REPRESENTATIVES

MARCH , 1948

Mr. CANFIELD, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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A BILL

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TREASURY DEPARTMENT

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department for the fiscal year ending June 30, 1949, namely:

OFFICE OF THE SECRETARY

Salaries: For personal services in the District of Columbia, $380,000: *Provided,* That no part of the money appropriated shall be used to pay the salaries of more than fifteen messengers assigned to duty in the Office of the Secretary.

Personal or property damage claims: For payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921), $30,000.

Penalty mail costs: For deposit in the Treasury for penalty mail of the Treasury Department (39 U. S. C. 321d), $5,900,000.

Refunds under Renegotiation Act: To enable the Secretary of the Treasury to make refunds required by section 403 (a) (4) (D) (relating to the recomputation of the amortization deduction) and by the last sentence of section 403 (i) (3) (relating to excess inventories) of the Renegotiation Act; and to refund any amount finally adjudged or determined to have been erroneously collected by the United States pursuant to a unilateral determination of excessive profits, with interest thereon (at a rate not to exceed 4 per centum per annum) as may be determined by the War Contracts Price Adjustment Board, such interest to be computed to the date of certification of the amount to the Treasury Department for payment; $2,000,000: *Provided,*

That to the extent refunds are made from this appropriation of excessive profits collected under the Renegotiation Act and retained by the Reconstruction Finance Corporation or any of its subsidiaries, the Reconstruction Finance Corporation or the appropriate subsidiary shall reimburse this appropriation: *Provided further,* That the War Contracts Price Adjustment Board or its duly authorized representatives shall certify the amount of any refunds to be made in pursuance hereof to the Secretary of the Treasury who shall make payment upon such certificate in lieu of any voucher which might otherwise be required.

DIVISION OF TAX RESEARCH

Salaries: For personal services in the District of Columbia, $110,000.

OFFICE OF GENERAL COUNSEL

Salaries: For personal services in the District of Columbia, $225,000.

Salaries and expenses, Office of Contract Settlement: For necessary expenses, including contract stenographic reporting services, to carry out the provisions of the Contract Settlement Act of 1944, $75,000.

DIVISION OF PERSONNEL

Salaries: For personal services in the District of Columbia, $120,000.

Health service programs, Treasury Department: For

health service programs, as authorized by law (5 U. S. C. 150), for employees of the Department in the District of Columbia, $70,000: *Provided,* That other appropriations in this Act shall be available for health service programs in the field.

OFFICE OF CHIEF CLERK

Salaries: For personal services in the District of Columbia, $300,000.

MISCELLANEOUS EXPENSES, TREASURY DEPARTMENT

Miscellaneous expenses: For necessary expenses of the Office of the Secretary and the bureaus and offices of the Treasury Department, not otherwise provided for, including operating expenses of the Treasury, Treasury Annex, Auditors', and Liberty Loan Buildings, and including not to exceed $25,000 for printing and binding and purchase of materials for the use of the bookbinder located in the Treasury Department; $240,000.

OFFICE OF SUPERINTENDENT OF TREASURY BUILDINGS

Salaries: For personal services in the District of Columbia, including the operating force of the Treasury Building, the Treasury Annex, the Liberty Loan Building, the Auditors' Building, and the west and south annexes thereof, $645,000.

Fiscal Service

bureau of accounts

Salaries and expenses: For necessary expenses in the District of Columbia, including contract stenographic reporting services and not to exceed $50,000 for printing and binding, $1,475,000: *Provided,* That from the amount appropriated herein, the Federal Reserve banks and their branches may be reimbursed for printing and binding and other necessary expenses incident to the deposit of withheld taxes in Government depositories pursuant to the Current Tax Payment Act of 1943.

Salaries and expenses: For necessary expenses of the Division of Disbursement, including personal services in the District of Columbia, and printing and binding, $10,000,000: *Provided,* That with the approval of the Bureau of the Budget there may be transferred to this appropriation from Railroad Retirement Board, "Conservation and use of agricultural land resources, Department of Agriculture," and from available corporate funds of Government-owned or -controlled corporations, such sums as may be necessary to cover the expense incurred in performing the function of disbursement therefor.

Contingent expenses, public moneys: For contingent expenses under the requirements of section 3653 of the

Revised Statutes (31 U. S. C. 545), for the collection, safekeeping, transfer, and disbursement of the public money, transportation of notes, bonds, and other securities of the United States, transportation of gold coin and gold certificates transferred to Federal Reserve banks and branches, United States mints and assay offices, and the Treasury, after March 9, 1933, actual expenses of examiners detailed to examine the books, accounts, and money on hand at the several depositories, including national banks acting as depositories under the requirements of section 3649, Revised Statutes (31 U. S. C. 548), also including examinations of cash accounts at mints, $375,000.

Recoinage of silver coins: For expenses necessary to continue the recoinage of worn and uncurrent subsidiary silver coins of the United States now in the Treasury or hereafter received, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coins and the amount the same will produce in new coins, $150,000.

Relief of the indigent, Alaska: For the payment to the United States district judges in Alaska (not to exceed 10 per centum of the receipts from licenses collected outside of incorporated towns in Alaska), to be expended for the relief of persons in Alaska who are indigent and incapaci-

tated through nonage, old age, sickness, or accident, $18,000.

Refund of moneys erroneously received and covered: For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 18 of the Permanent Appropriation Repeal Act of 1934, approved June 26, 1934, and any other collections erroneously received and covered which are not properly chargeable to any other appropriation, $700,000.

Payment of certified claims: For the payment of claims (not to exceed $500 in any case) which may be certified during the fiscal year 1949 by the Comptroller General of the United States to be lawfully due, within the limits of, and chargeable against the balances of the respective appropriations heretofore made which, after remaining unexpended, have been carried to the surplus fund pursuant to section 5 of the Act of June 20, 1874 (31 U. S. C. 713), $800,000.

Payment of unclaimed moneys: For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 17 of the Permanent Appropriation Repeal Act of 1934, approved June 26, 1934, payable from the funds held by the United States in the trust fund receipt account "Unclaimed moneys of individuals whose whereabouts are unknown", $100,000.

BUREAU OF THE PUBLIC DEBT

Administering the public debt: For necessary expenses connected with any public-debt operations authorized by the Second Liberty Bond Act, as amended (31 U. S. C. 760–762), and with the administration of any public debt or currency issues of the United States with which the Secretary of the Treasury is charged, including not to exceed $3,750,000 for promoting the sale of savings bonds, $51,500,000, to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided,* That from the amount appropriated herein, the Federal Reserve banks and their branches may be reimbursed for expenditures made by them as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury, and advances to the Postmaster General may be made in accordance with the provisions of section 22 (e) of the Second Liberty Bond Act, as amended (31 U. S. C. 757c (e)), which section shall be construed as applying to this appropriation: *Provided further,* That the indefinite appropriation provided by section 10 of the Second Liberty Bond Act, as amended, shall not be available for obligation during the fiscal year 1949.

Distinctive paper for United States currency: For distinctive paper for United States currency, including transportation of paper, traveling, mill, and other necessary expenses, and salaries of employees and allowance, in lieu of expenses, of officer or officers detailed from the Treasury Department, not exceeding $50 per month each when actually on duty, $1,300,000: *Provided,* That in order to foster competition in the manufacture of distinctive paper for United States securities, the Secretary of the Treasury is authorized, in his discretion, to split the award for such paper for the fiscal year 1949 between the two bidders whose prices per pound are the lowest received after advertisement.

OFFICE OF THE TREASURER OF THE UNITED STATES

Salaries and expenses: For necessary expenses of the Office of the Treasurer, including not to exceed $100,000 for printing and binding, $4,980,000: *Provided,* That with the approval of the Bureau of the Budget, there may be transferred to this appropriation, from Railroad Retirement Board, "Conservation and use of agricultural land resources, Department of Agriculture," and from available corporate funds of Government owned or controlled corporations, such sums as may be necessary to cover the expenses incurred in the clearing of checks, servicing of bonds, handling of collections, and rendering of accounts therefor.

BUREAU OF INTERNAL REVENUE

Salaries and expenses: For necessary expenses in connection with the assessment and collection of internal-revenue taxes and the administration of the internal-revenue laws, including the administration of such provisions of other laws as are authorized by or pursuant to law to be administered by or under the direction of the Commissioner of Internal Revenue, including one stamp agent (to be reimbursed by the stamp manufacturers) and the employment of experts; the securing of evidence of violations of the Acts, the cost of chemical analyses made by others than employees of the United States and expenses incident to such chemists testifying when necessary; necessary expenses incurred in making investigations in connection with the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters, expenses of seizure and sale, and contract stenographic reporting services; for the acquisition of property under the provisions of title III of the Liquor Law Repeal and Enforcement Act, approved August 27, 1935 (49 Stat. 872–881), and the operation, maintenance, and repair of property acquired under such title III; purchase, for replacement (not to exceed three hundred and thirty-four) and hire of passenger motor vehicles, as follows: for personal services, $168,736,000, of which not to exceed $16,000,000 may be expended for personal services at the

seat of Government; and for objects of expenditure other than personal services, $18,000,000, including printing and binding (not to exceed $2,400,000), stationery (not to exceed $1,400,000), ammunition, and not to exceed $100,000 for detecting and bringing to trial persons guilty of violating the internal-revenue laws or conniving at the same, including payments for information and detection of such violation; in all for salaries and expenses, $186,736,000.

Additional income tax on railroads in Alaska: For the payment to the Treasurer of Alaska of an amount equal to the tax of 1 per centum collected on the gross annual income of all railroad corporations doing business in Alaska, on business done in Alaska, which tax is in addition to the normal income tax collected from such corporations on net income, the amount of such additional tax to be applicable to general Territorial purposes, $4,500.

BUREAU OF NARCOTICS

Salaries and expenses: For expenses, including the securing of information and evidence, necessary to enforce sections 2550–2565; 2567–2571; 2590–2603; 3220–3228; 3230–3238 of the Internal Revenue Code; the Narcotic Drugs Import and Export Act, as amended (21 U. S. C. 171–184); the Act of June 14, 1930 (5 U. S. C. 282–282c and 21 U. S. C. 197–198) and the Opium Poppy Control Act of 1942 (21 U. S. C. Supp. V, 188–188n), including

the employment of attorneys; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); the costs of chemical analyses made by others than employees of the United States; cost incurred by officers and employees of the Bureau of Narcotics in the seizure, forfeiture, storage, and disposition of property under the Act of August 9, 1939 (49 U. S. C. 781–788), and the internal-revenue laws; hire of motor vehicles; purchase of arms and ammunition; in all, $1,450,000, including personal services in the District of Columbia and printing and binding; not exceeding $10,000 for the collection and dissemination of information and appeal for law observance and law enforcement, including cost of printing, and not exceeding $10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice.

BUREAU OF ENGRAVING AND PRINTING

For the work of engraving and printing, exclusive of repay work, United States currency and internal-revenue stamps, including opium orders and special-tax stamps required under the Act of December 17, 1914 (26 U. S. C. 1040, 1383), checks, drafts, and miscellaneous work, as follows:

Salaries and expenses: For the Director, two Assistant Directors, and other personal services in the District of Columbia, including wages of rotary press plate printers at

per diem rates and all other plate printers at piece rates to be fixed by the Secretary of the Treasury, not to exceed the rates usually paid for such work; and other necessary expenses, including engravers' and printers' materials and other materials, including distinctive and nondistinctive paper, except distinctive paper for United States currency and Federal Reserve bank currency; purchase of card and continuous form checks; equipment of, repairs to, and maintenance of buildings and grounds and minor alterations to buildings; periodicals, examples of engraving and printing, including foreign securities and stamps, and books of reference, not to exceed $500; traveling expenses not to exceed $15,000; printing and binding; transfer to the Bureau of Standards for scientific investigations in connection with the work of the Bureau of Engraving and Printing, not to exceed $15,000; $12,000,000, to be expended under the direction of the Secretary of the Treasury.

During the fiscal year 1949 all proceeds derived from work performed by the Bureau of Engraving and Printing, by direction of the Secretary of the Treasury, not covered and embraced in the appropriations for such Bureau for such fiscal year, instead of being covered into the Treasury as miscellaneous receipts, as provided by the Act of August 4, 1886 (31 U. S. C. 176), shall be credited

when received to the appropriations for such Bureau for the fiscal year 1949.

SECRET SERVICE DIVISION

Salaries and expenses, Secret Service: For expenses necessary in detecting, arresting, and delivering into the custody of the United States marshal or other officer having jurisdiction, dealers and pretended dealers in counterfeit money, persons engaged in counterfeiting, forging, and altering United States notes, bonds, national bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments (including endorsements thereon and assignments thereof), as well as the coins of the United States and of foreign governments, and persons committing other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control, and for the protection of the person of the President and the members of his immediate family and of the person chosen to be President of the United States, including personal services in the District of Columbia; purchase (not to exceed sixteen for replacement only) and hire of passenger motor vehicles; printing and binding; and purchase of arms and ammunition; $1,715,000: *Provided*, That of the amount herein appropriated not to exceed $15,000 may be expended, with the approval of the Chief

of the Secret Service, for the purpose of securing information concerning violations of the laws relating to the Treasury Department and for services or information looking toward the apprehension of criminals.

Salaries and expenses, White House Police: For salaries and expenses, including uniforms and equipment, purchase and repair of revolvers, and the purchase and issue of ammunition and miscellaneous supplies, to be purchased in such manner as the President may determine, $370,000.

Salaries and expenses, guard force, Treasury buildings: For expenses of the guard force for Treasury Department buildings in the District of Columbia, including the Bureau of Engraving and Printing, and elsewhere, including purchase, repair, and cleaning of uniforms, purchase of two passenger motor vehicles for replacement only, and the purchase of arms and ammunition and miscellaneous equipment, $645,000: *Provided*, That not to exceed $168,925 of the appropriation "Salaries and expenses, Bureau of Engraving and Printing", may be transferred to this appropriation to cover service rendered such Bureau in connection with the protection of currency, bonds, stamps, and other papers of value the cost of producing which is not covered and embraced in the direct appropriations for such Bureau: *Provided further*, That the Secretary of the Treasury may detail two agents of the Secret Service to supervise such force.

Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces: For reimbursement to the District of Columbia on a monthly basis for benefit payments made from the revenues of the District of Columbia to members of the White House Police force and such members of the United States Secret Service Division as are entitled thereto under the Act of October 14, 1940 (54 Stat. 1118), to the extent that such benefit payments are in excess of the salary deductions of such members credited to said revenues of the District of Columbia during the fiscal year 1949, pursuant to section 12 of the Act of September 1, 1916 (39 Stat. 718), as amended, $84,600.

BUREAU OF THE MINT

Salaries and expenses: For necessary expenses at the mints at Philadelphia, Pennsylvania, San Francisco, California, and Denver, Colorado; the assay offices at New York, New York, and Seattle, Washington: the bullion depositories at Fort Knox, Kentucky, and West Point, New York; the Office of the Director of the Mint; and for carrying out the provisions of the Gold Reserve Act of 1934 and the Silver Purchase Act of 1934, including personal services in the District of Columbia, printing and binding, new machinery and repairs, arms and ammunition, purchase and maintenance of uniforms and accessories for guards, protective devices, and their maintenance, training of employees in use of

firearms and protective devices, cases and enameling for medals manufactured, net wastage in melting and refining and in coining departments, loss on sale of sweeps arising from the treatment of bullion and the manufacture of coins, not to exceed $1,000 for the expenses of the annual assay commission, and not exceeding $1,000 for the acquisition, at the dollar face amount or otherwise, of specimen and rare coins, including United States and foreign gold coins and pieces of gold used as, or in lieu of, money, and ores, for addition to the Government's collection of such coins, pieces, and ores; $4,500,000.

Transportation of bullion and coin: For transportation of bullion and coin, between mints, assay offices, and bullion depositories, $5,000, including compensation of temporary employees and other necessary expenses.

BUREAU OF FEDERAL SUPPLY

Salaries and expenses: For necessary expenses, including personal services in the District of Columbia and in the field service, office supplies and materials, stationery, fuel, light, electric current, and other expenses for carrying into effect regulations governing the procurement, warehousing, and distribution by the Bureau of Federal Supply of the Treasury Department of property, equipment, stores, and supplies in the District of Columbia and in the field,

$1,275,000: *Provided,* That the Secretary of the Treasury is authorized and directed to transfer to this appropriation from any appropriations or funds available to the several departments and establishments of the Government such amounts as may be approved by the Bureau of the Budget, not to exceed the sum of (a) the amount of the annual compensation of employees who may be transferred or detailed to the Bureau of Federal Supply, respectively, from any such department or establishment, where the transfer or detail of such employee is incident to a transfer of a function or functions to that Bureau and (b) such amount as the Bureau of the Budget may determine to be necessary for expenses other than personal services incident to the proper carrying out of functions so transferred: *Provided further,* That when there has been or shall be transferred from any agency of the Government to the Bureau of Federal Supply any function of warehousing, and the agency from which such function is being transferred is authorized at the time of such transfer to perform functions of procurement, warehousing, or distribution of property, equipment, stores, or supplies for non-Federal agencies the Bureau of Federal Supply is authorized to continue the performance of such functions for such non-Federal agencies where such functions are to be discontinued by the agency from which the warehousing function has been transferred, and the

receipts, including surcharge, for all issues to and all advances by all non-Federal agencies shall be credited to the general supply fund: *Provided further,* That payments to the general supply fund for materials, and supplies (including fuel), and services, and overhead expenses for all issues shall be made on the books of the Treasury Department by transfer and counterwarrants prepared by the Bureau of Federal Supply of the Treasury Department and countersigned by the Comptroller General, such warrants to be based solely on itemized invoices prepared by the Bureau of Federal Supply at issue prices to be fixed by the Director of Federal Supply: *Provided further,* That payments covering transactions between the Bureau of Federal Supply and field offices of other Government agencies whose detailed appropriation or fund accounts are maintained elsewhere than within the District of Columbia, may be made on the basis of itemized vouchers or invoices prepared by the Bureau of Federal Supply and sent through the appropriate field offices to the disbursing officers for the agencies involved, who are hereby authorized to make payment based (1) upon certification of the Bureau of Federal Supply, which shall include the specific statement that the vouchers are issued pursuant to and in conformity with purchase orders or requisitions duly executed by the agency billed, and (2) upon approval and certification of such vouchers by the agency billed, which

action shall be based upon acceptance of the Bureau of Federal Supply certification as made, subject to later adjustment if necessary, the responsibility of the certifying officer to be limited to the availability of the funds to be charged: *Provided further,* That the general supply fund may be used to purchase from or through the Public Printer standard forms and blank-book work for field warehouse stocking and issue, but issues thereof shall be made only to Government agencies and shall be chargeable to applicable appropriation authorizations or limitations of such agencies for printing and binding, and reports of such issues shall be made as the Public Printer may require: *Provided further,* That advances received pursuant to law (31 U. S. C. 686) from departments and establishments of the United States Government and the government of the District of Columbia during the fiscal year 1949 shall be credited to the general supply fund: *Provided further,* That per diem employees engaged in work in connection with operations of the fuel yards may be paid rates of pay approved by the Secretary of the Treasury not exceeding current rates for similar services in the District of Columbia: *Provided further,* That the term "fuel" shall be held to include "fuel oil": *Provided further,* That the reconditioning and repair of surplus property and equipment for disposition or reissue to Government service, may be made at cost by the Bureau of

Federal Supply, payment therefor to be effected by charging the proper appropriation and crediting the general supply fund.

Repairs to typewriting machines (except bookkeeping and billing machines) in the Government service in the District of Columbia and areas adjacent thereto may be made at cost by the Bureau of Federal Supply, payment therefor to be effected by charging the proper appropriation and crediting the general supply fund.

No part of any money appropriated by this or any other Act shall be used during the fiscal year 1949 for the purchase, within the continental limits of the United States, of any typewriting machines (except bookkeeping and billing machines).

Each agency in the executive branch of the Government (which shall include all departments, independent establishments, and wholly owned Government corporations) is authorized and directed (1) to report within thirty days after the enactment of this Act, or by July 1, 1948, whichever is the later, to the Director of the Bureau of Federal Supply the total number of typewriting machines in the possession or custody of such agency and the number thereof surplus to its requirements, and (2) to surrender and ship such surplus typewriting machines as the Director of the Bureau of Federal Supply may direct. Costs of packing and shipping hereunder shall be charged to the general supply

fund. Each agency shall furnish the Director of the Bureau of Federal Supply such information regarding typewriting machines as he may from time to time request. The Bureau of Federal Supply is authorized and directed to receive and hold all typewriting machines surrendered to it hereunder and to distribute same to any of such agencies as the Director of the Bureau of Federal Supply may determine.

The Director of the Bureau of Federal Supply is authorized and directed at such times as he may determine to be necessary to survey and determine the number and kinds of typewriters which are at any time surplus to the requirements of any agency. Upon such determination the Director of the Bureau of Federal Supply is authorized to direct, upon such notice and in such manner as he may prescribe, the head of any agency to surrender to the Bureau of Federal Supply any and all typewriting machines, surplus to its requirements, and such determination and direction by the Director of the Bureau of Federal Supply shall be final and conclusive upon all agencies, officers, and employees of the executive branch of the Government of the United States.

The Director of the Bureau of Federal Supply is authorized to charge each agency to which typewriting machines are supplied hereunder amounts equal to the fair value thereof, as determined by him, and such amounts shall be credited to the general supply fund.

Printing and binding: For printing and binding for the Bureau of Federal Supply, including printed forms and miscellaneous items for general use of the Treasury Department, the cost of transportation to field offices of printed and bound material and the cost of necessary packing boxes and packing materials, $150,000, together with not to exceed $30,000 to be transferred from the general supply fund, Treasury Department.

Net renegotiation rebates: For necessary expenses, including personal services in the District of Columbia, in connection with the processing and determination of net renegotiation rebates under section 403 (a) (4) (D) of the Renegotiation Act, $125,000.

No part of any appropriation or authorization in this Act shall be used to pay any part of the salary or expenses of any person whose salary or expenses are prohibited from being paid from any appropriation or authorization in any other Act.

This title may be cited as the "Treasury Department Appropriation Act, 1949".

TITLE II—POST OFFICE DEPARTMENT

The following sums are appropriated in conformity with 5 United States Code 361, 380; 39 United States Code 786, for the Post Office Department for the fiscal year ending June 30, 1949, namely:

POST OFFICE DEPARTMENT, WASHINGTON, DISTRICT OF COLUMBIA

OFFICE OF THE POSTMASTER GENERAL

Salaries: For the Postmaster General and other personal services in the office of the Postmaster General in the District of Columbia, including a health service program as authorized by law (5 U. S. C. 150), $395,000.

SALARIES IN BUREAUS AND OFFICES

For personal services in the District of Columbia in bureaus and offices of the Post Office Department in not to exceed the following amounts, respectively:

Office of Budget and Administrative Planning, $65,000.

Office of the First Assistant Postmaster General, $1,162,500.

Office of the Second Assistant Postmaster General, $928,000.

Office of the Third Assistant Postmaster General, $1,350,000.

Office of the Fourth Assistant Postmaster General, $752,000.

Office of the Solicitor for the Post Office Department, $250,000.

Office of the Chief Inspector, $405,000.

Office of the Purchasing Agent, $85,000.

Bureau of Accounts, $485,000.

CONTINGENT EXPENSES, POST OFFICE DEPARTMENT

For necessary, contingent and miscellaneous expenses not otherwise provided for; purchase and exchange of lawbooks and books of reference; newspapers; and travel expenses of the purchasing agent and of the solicitor and personnel connected with his office, not exceeding $2,100; $160,000.

For printing and binding for the Post Office Department and Postal Service, $2,000,000.

Appropriations hereinafter made for the field service of the Post Office Department, except as otherwise provided, shall not be expended for any of the purposes hereinbefore provided for on account of the Post Office Department in the District of Columbia: *Provided,* That necessary expenses of officials and employees of the Post Office Department and Postal Service, when traveling on official business, may be paid from the appropriations for the service in connection with which the travel is performed: *Provided further,* That appropriations hereinafter made, except such as are exclusively for payment of compensation, shall be available for expenses in connection with the examination of estimates for appropriations in the field including per diem allowances in lieu of actual expenses of subsistence: *And provided further,* That the appropriations for the Post Office Department and the Postal Service shall be available for expenditures in connec-

tion with accident prevention, but no appropriation made for the field service shall be expended on account of the Post Office Department in the District of Columbia.

FIELD SERVICE, POST OFFICE DEPARTMENT

OFFICE OF THE POSTMASTER GENERAL

Travel and miscellaneous expenses: For travel and miscellaneous expenses in the Postal Service, offices of the Postmaster General and Assistant Postmasters General, $3,000.

Damage claims: For the payment of claims for damages to persons or property occurring in the fiscal year 1949, or in prior fiscal years, pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921), and in accordance with the provisions of the Deficiency Appropriation Act, approved June 16, 1921 (5 U. S. C. 392), as amended by the Act approved June 22, 1934 (31 U. S. C. 224c), $175,000.

Adjusted losses and contingencies: To pay to postmasters, navy mail clerks, and assistant navy mail clerks, coast guard mail clerks, assistant coast guard mail clerks, army mail clerks, and assistant army mail clerks, or credit them with the amount ascertained to have been lost or destroyed during the fiscal year 1949, or prior fiscal years, through unavoidable casualty resulting from no fault or negligence on their part, as authorized by the

Act approved March 17, 1882, as amended by the Act approved December 7, 1945 (39 U. S. C. 49), $75,000.

OFFICE OF THE CHIEF INSPECTOR

Salaries of inspectors: For salaries of fifteen inspectors in charge of divisions and eight hundred inspectors, $4,350,000.

Travel and miscellaneous expenses: For necessary travel and miscellaneous expenses incurred in the operation of the post office inspection service, not to exceed $27,600 for chemical and other investigations, and not to exceed $500 for books of reference, $958,000.

Clerks: For compensation of not exceeding three hundred and eighty-nine clerks in the post office inspection service, $1,178,000.

Rewards: For payment of rewards for the detection, arrest, and conviction of post office burglars, robbers, highway mail robbers, and persons mailing or causing to be mailed any bomb, infernal machine, or mechanical, chemical, or other device or composition which may ignite, or explode, fiscal year 1949 and prior years, $55,000: *Provided,* That rewards may be paid in the discretion of the Postmaster General, when an offender of the classes mentioned was killed in the act of committing the crime or in resisting lawful arrest: *Provided further,* That no part of this sum shall be used to pay any rewards at rates in excess of those specified in Post Office Department Order 28673, dated July 28, 1945: *Provided*

further, That of the amount herein appropriated not to exceed $20,000 may be expended in the discretion of the Postmaster General, for the purpose of securing information concerning violations of the postal laws and for services and information looking toward the apprehension of criminals.

OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

Compensation to postmasters: For compensation to postmasters, including compensation as postmaster to persons who, pending the designation of an acting postmaster, assume and perform the duties of postmaster in the event of a vacancy in the office of postmaster of the third or fourth class, and to persons who perform the duties for postmasters of the fourth class absent on sick or annual leave or leave without pay, and for allowances for rent, light, fuel, and equipment to postmasters of the fourth class, $87,900,000.

Compensation to assistant postmasters: For compensation to assistant postmasters at first- and second-class post offices, $12,500,000.

Clerks, first- and second-class post offices: For compensation to clerks and employees at first- and second-class post offices, including auxiliary clerk hire at summer and winter post offices, printers, mechanics, skilled laborers, watchmen, messengers, mail handlers, and substitutes, and the maintenance of health service program as authorized by law (5 U. S. C. 150), $530,000,000.

Contract station service: For contract station service, $3,500,000.

Separating mails: For separating mails at fourth-class post offices, $180,000.

Unusual conditions: For unusual conditions at post offices, $25,000.

Clerks, third-class post offices: For compensation to clerks at third-class post offices, $25,500,000.

Miscellaneous items, first- and second-class post offices: For expenses necessary for the operation and protection of post offices of the first and second classes, and the business conducted in connection therewith, not provided for in other appropriations, $3,850,000.

Village delivery service: For village delivery service in towns and villages having post offices of the second or third class, and in communities adjacent to cities having city delivery, $300,000.

Detroit River service: For Detroit River postal service $12,750.

Carfare and bicycle allowance: For carfare and bicycle allowance, including special delivery carfare, cost of transporting carriers by privately owned automobiles to and from their routes, at rates not exceeding regular streetcar or bus fare, and purchase, maintenance, and exchange of bicycles, $2,800,000.

City delivery carriers: For pay of letter carriers, city delivery service, and United States official mail and messenger service, $326,000,000.

Special delivery service: For compensation and fees to special delivery messengers, $16,000,000.

Rural delivery service: For pay for rural carriers, auxiliary carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, tolls and ferriage, and necessary expenses of the rural delivery service, $135,719,000, of which not less than $200,000 shall be available for extensions and new service.

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Star route service: For inland transportation by star routes, including temporary service to newly established offices, $25,501,000.

Powerboat service: For inland transportation by steamboat or other powerboat routes, including ship, steamboat, and way letters, $2,133,000.

Railroad transportation and mail messenger service: For inland transportation by railroad routes and for mail messenger service, $165,881,000: *Provided,* That separate accounts be kept of the amount expended for mail messenger service.

Railway mail service, salaries: For fifteen general superintendents, fifteen assistant general superintendents, two

assistant general superintendents at large, one hundred and twenty district superintendents, one hundred and twenty assistant district superintendents, and other employees in the railway mail service, $109,188,000.

Railway mail service, travel allowance: For travel allowance to railway postal clerks and substitute railway postal clerks, $5,237,000.

Railway mail service, travel expenses: For travel expenses of departmental officials and supervisory employees of the railway mail service, and railway postal clerks, $66,000.

Railway mail service, miscellaneous expenses: For necessary expenses of the railway mail service not provided for in other appropriations, $490,000.

Electric car service: For electric car service, $220,000.

Foreign mail transportation: For transportation of foreign mails, except by aircraft, $23,842,000, including not to exceed $79,200 to cover the cost to the United States for maintaining sea post service on ocean steamships conveying mails to and from the United States: *Provided,* That not to exceed $12,500 is hereby made available for expenses of delegates designated from the Post Office Department by the Postmaster General to the Sixth Congress of the Postal Union of the Americas and Spain, The Executive and Liaison Commission and the Transit Com-

mission of the Universal Postal Union, and the conference on revision of the 1929 "Prisoners of War" Convention, to be expended in the discretion of the Postmaster General and accounted for on his certificate, which certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended, which amount shall be available until December 31, 1949.

Balances due foreign countries: For balances due foreign countries, fiscal year 1949 and prior years, $3,000,000: *Provided,* That there shall be established immediately, by transfer of $5,000,000 from the appropriation for "Balances due foreign countries" for the fiscal year 1948, a revolving fund which shall be available without fiscal year limitation for advances to air carriers for the transportation of air mail from foreign countries to the United States as authorized by section 2 of the Act of July 27, 1940 (49 U. S. C. 485b), and payments hereafter received from foreign countries on account of air carriers for the transportation of air mail from foreign countries to the United States shall be credited to such fund.

Indemnities, international mail: For payment of limited indemnity for the injury or loss of international mail in accordance with convention, treaty, or agreement stipulations, fiscal year 1949 and prior years, $15,000.

Foreign air mail service: For transportation of foreign mails by aircraft, as authorized by law, $19,500,000.

Domestic air mail service: For expenses necessary for the inland transportation of mail by aircraft, as authorized by law, including not to exceed $176,000 for supervisory officials and clerks at field headquaters, $32,000,000.

OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

Stamps and stamped paper: For manufacture and distribution of stamps and stamped paper, and not to exceed $30,000 for compensation to employees and other necessary expenses of the United States Stamped Envelope Agency, $9,335,000.

Indemnities, domestic mail: For payment of indemnity for the injury or loss of domestic registered, insured, and collect-on-delivery mail, and for failure to remit collect-on-delivery charges, fiscal year 1949 and prior years, $3,775,000.

Unpaid money orders: For payment of domestic money orders after one year from the last day of the month of issue of such orders, $900,000.

OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

Miscellaneous supplies and equipment: For the purchase, manufacture, repair, and installation of necessary miscellaneous equipment and supplies for the Postal Service not

provided for in other appropriations; for the purchase of atlases and geographical and technical works not to exceed $1,500; and not exeeeding $191,400 for personal services, ineluding salaries of fourteen traveling mechanicians; for rental of canceling machines and motors, mechanical mail-handling apparatus, and other labor-saving devices; and for travel expenses; $7,158,000, of which $400,000 shall be available exclusively for the purchase of modern mechanical postal deviees, and of which $100,000 shall be available exelusively for mechanizing deviees for separation of mails: *Provided,* That the Postmaster General may authorize the sale to the public of post-route maps and rural-delivery maps or blueprints at the eost of printing and 10 per centum thereof added.

Equipment shops: For the purchase, manufacture, and repair of mail bags and other equipment for the postal service not provided for in other appropriations; necessary expenses for the operatiou, maintenanee, and protection of the mail equipment shops building, grounds, and equipment, and a health service program as authorized by law (5 U. S. C. 150); $12,800,000, of whieh not to exceed $1,255,000 may be expended for personal services in the District of Columbia and not exceeding $15,000 for the purehase of material and the manufacture in the equipment shops of such small quantities of distinctive equipments as

may be required by other executive departments; and for services in Alaska, Puerto Rico, Hawaii, or other island possessions.

Rent, fuel, and utility services: For rent, light, power, fuel, and water, for first-, second-, and third-class post offices, and the cost of advertising for lease proposals for such offices, $14,500,000.

Pneumatic tube service: For rental of not exceeding twenty-eight miles of pneumatic tubes, hire of labor, communication service, electric power, and other expenses for transmission of mail in the city of New York including the Borough of Brooklyn; and for rental of not exceeding two miles of pneumatic tubes, not including labor and power in operating the same, for the transmission of mail in the city of Boston, Massachusetts; $740,000: *Provided*, That the Acts of April 21, 1902, May 27, 1908, and June 19, 1922 (39 U. S. C. 423), relating to contracts for the transmission of mail by pneumatic tubes or other similar devices shall not be applicable to the city of New York, and the provisions not inconsistent herewith of the Acts of April 21, 1902, and May 27, 1908 (39 U. S. C. 423), shall be applicable to the city of Boston.

Vehicle service: For the hire, purchase, maintenance, repair, and operation of vehicles for use in the collection, transportation, delivery, and supervision of the mail, includ-

ing the repair of vehicles owned by, or under the control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the Postal Service; the rental of garage facilities; lease of quarters not exceeding a term of ten years for the housing of Government-owned motor vehicles, and including compensation to necessary employees in the motor vehicle service, $42,000,000, of which $4,400,000 shall be available exclusively for the purchase of trucks: *Provided,* That the Postmaster General may purchase and maintain from this appropriation such tractors and trailer trucks as may be required in the operation of the vehicle service: *Provided further,* That no part of this appropriation shall be expended for maintenance or repair of motor-propelled passenger-carrying vehicles for use in connection with the administrative work of the Post Office Department in the District of Columbia.

Transportation of equipment and supplies: For the transportation and delivery of equipment, materials, and supplies for the Post Office Department and Postal Service by freight, express, or motor transportation, and other incidental expenses, $1,000,000.

Operating force, public buildings: For compensation to employees in the custodial service, $44,600,000.

Operating supplies, public buildings: For necessary

miscellaneous articles, services and supplies, including transportation thereof, required for the operation of completed and occupied public buildings and grounds operated by the Post Office Department, $7,320,000, which shall not be available for personal services except for work done by contract, or for temporary job labor under exigency not exceeding at one time the sum of $250 at any one building: *Provided,* That the Postmaster General is authorized to contract for telephone service in public buildings under his administration by means of telephone switchboards or equivalent telephone switching equipment jointly serving in each case two or more governmental activities, where he determines that joint service is economical and in the interest of the Government, and to secure reimbursement for the cost of such joint service from available appropriations for telephone expenses of the bureaus and offices receiving the same.

Equipment, public buildings: For the procurement, including transportation, of furniture, carpets, safes, safe and vault protective devices, and repairs of same, for use in public buildings which are now, or may hereafter be, operated by the Post Office Department, $950,000: *Provided,* That excepting expenditures for labor for or incidental to the moving of equipment from or into public buildings, the foregoing appropriation shall not be used for personal services except for work done under contract or for temporary job

labor under exigency and not exceeding at one time the sum of $100 at any one building: *Provided further,* That all furniture now owned by the United States in other public buildings or in buildings rented by the United States shall be used, so far as practicable, whether or not it corresponds with the present regulation plan of furniture.

Deficiency in postal revenues: If the revenues of the Post Office Department shall be insufficient to meet the appropriations made under title II of this Act, a sum equal to such deficiency in the revenues of such Department is hereby appropriated, to be paid out of any money in the Treasury not otherwise appropriated, to supply such deficiency in the revenues of the Post Office Department for the fiscal year ending June 30, 1949, and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General.

During the fiscal year 1949, the Postmaster General shall make quarterly reports to the Senate and House Committees on Appropriations, showing for each quarter the amount paid from each appropriation for overtime, the number of employees receiving such overtime, and the number of hours of overtime worked by such employees, together with a statement as to the necessity for such overtime work.

This title may be cited as the "Post Office Department Appropriation Act, 1949".

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force

or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further,* That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 302. This Act may be cited as the "Treasury and Post Office Departments Appropriation Act, 1949".

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[FULL COMMITTEE PRINT]

Calendar No.

80TH CONGRESS
2D SESSION

H. R.

[Report No.]

A BILL

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes.

By Mr. CANFIELD

MARCH , 1948

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Union Calendar No. 714

80TH CONGRESS, 2d Session } HOUSE OF REPRESENTATIVES { REPORT No. 1532

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1949

MARCH 9, 1948.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. CANFIELD, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 5770]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949.

With the exceptions subsequently specified, the bill includes regular annual appropriations for these Departments, the estimates for which are found: For the Treasury Department, on pages 849 to 894, inclusive, of the Budget; and for the Post Office Department, on pages 791 to 813, inclusive, of the Budget.

Appropriations for Bureau of Customs, Coast Guard, acquisition of strategic and critical materials, and refunding internal-revenue collections have not been included in the bill, but will be presented to the House later.

Detailed management surveys of the customs service and the Coast Guard, authorized in the Treasury-Post Office Appropriation Act, 1948, were made on a contract basis by commercial firms during the latter part of the calendar year 1947. Reports thereon were received in January 1948. In order that management and budgetary improvements pointed out in these reports can be analyzed and initiated, time must be afforded during which the recommendations made can receive

thorough study by Treasury officials and the committee. The Secretary of the Treasury should insure that his officials spare no effort immediately to initiate concrete action on all recommendations made in these management surveys and be able to demonstrate specific improvements in efficiency and reductions in costs by the time hearings are held on the 1949 budgets for these two agencies.

The appropriation for strategic and critical materials has been deferred pending determinations relating to their procurement in conjunction with the European recovery program and further study by the committee. The appropriation for internal-revenue refunds requires further consideration by the committee.

In comparing estimates and amounts recommended in the bill for 1949 with appropriations for 1948, it should be noted that certain supplemental estimates for 1948 have been received by the committee. Authority was granted by the Second Supplemental Appropriation Act, 1948, for the Post Office Department to draw heavily against certain of its funds in the first part of the current year in the event of increased mail volume. Postal revenues, which are indicative of mail volume, for the first two quarters of the current year were the largest in history, necessitating supplemental appropriations for fiscal year 1948. Unforeseen demands for currency have occasioned supplemental estimates for the Treasury Department, and claims certified by the General Accounting Office for payment have exceeded original estimates for 1948.

For convenient reference, comparative figures for the items contained in the accompanying bill are as follows:

	Treasury Department	Post Office Department	Total
Appropriations, 1948	$313,678,400	$1,605,933,550	$1,919,611,950
Pending supplemental estimates, 1948	2,721,700	141,318,800	144,040,500
Total, 1948	316,400,100	1,747,252,350	2,063,562,450
Estimates, 1949	306,981,700	1,710,644,500	2,017,626,200
Bill, 1949	290,453,100	1,691,269,250	1,981,722,350
Bill compared with 1948 appropriations plus supplemental estimates	−25,947,000	−55,973,100	−81,930,100
Bill compared with 1949 estimates	−16,523,600	−19,375,250	−35,903,850

TITLE I—TREASURY DEPARTMENT

Direct appropriations carried in the accompanying bill for the Treasury Department total $290,453,100. Budget estimates covering items for which the foregoing amount is recommended total $306,981,700, and appropriations for the regular operations of those Bureaus and agencies of the Treasury Department in 1948 for which provision is made in the accompanying bill amounted to $313,678,400. Budget estimates for 1949 are thus $6,696,700 less than funds provided for these activities for 1948, and the committee has made reductions below the budget estimates by $16,528,600.

Permanent appropriations.—The Treasury Department, in addition to the regular activities appropriated for in the accompanying bill, administers certain permanent appropriations such as interest on the

public debt, statutory public debt retirements, and others, for which the estimated obligations in 1949 aggregate $5,877,868,083. This amount is less than the total of $6,021,281,560 for 1948 by $143,413,477. While interest on the public debt in 1949 is estimated at $5,250,000,000, exceeding the 1948 amount by $50,000,000, the amount for statutory debt retirement in 1949 is 193.7 million dollars less than the 1948 amount. The increase in interest on the public debt is attributable, according to the Secretary of the Treasury, to a rise in the average rate of interest paid, and not to an increase in total debt. The decrease in statutory debt retirement in 1949 is due to the nonrecurring application of the surplus of the War Damage Corporation to reduction of the public debt.

Trust funds.—The Treasury Department also administers trust funds, such as the Federal old-age and survivors insurance trust fund, the unemployment trust fund, and others. Total obligations of these funds in 1949 are estimated at $3,313,584,430, an increase of 89.8 million dollars over the 1948 amount of $3,223,762,500.

The tabular statement at the end of the report provides an itemization of all of the foregoing.

DEPARTMENTAL OFFICES

Appropriation, 1948	$16, 867, 000
Estimate, 1949	11, 936, 400
Recommended in bill, 1949	10, 095, 000

Organizationally under the immediate office of the Secretary of the Treasury as administrative or service offices are the Chief Clerk, Superintendent of Treasury buildings and Division of Personnel, and as technical units the Office of the General Counsel and Division of Tax Research.

The Budget proposed an appropriation for the office of the Chief Clerk, which the Department supported by written justifications. The committee was surprised to learn from the testimony given on this item that a new Office of Administrative Services, which "takes the place of the Chief Clerk's office and contains the Division of Treasury Buildings," was created by administrative order more than 3 months before the budget was presented to the Congress. Although not appreciative of being belatedly advised of budgetary changes, the committee believes that a consolidation of the "housekeeping" functions of the Department is a move in the proper direction. This should be merely the first step in a major realinement of overlapping components. There is no justification for maintaining separate units such as the office of the Chief Clerk, Superintendent of Treasury buildings, and the Division of Personnel. Also, the guard force for Treasury buildings, which was formerly under the office of the Secretary but is now under the Secret Service Division, should be considered as a departmental service organization. All of these service units should be integrated under the office of the Secretary and headed by a single administrative officer without intermediate administrative units or officers. A thorough survey of this matter should be undertaken at once by the Department, and the budget for 1950 should present a consolidation of these functions as well as the appropriations therefor. The committee expects that specific reductions in costs will accompany the consolidation.

The written justifications for the 1949 estimates of the Department were unnecessarily voluminous and not sufficiently uniform. The Secretary of the Treasury should insure that all irrelevant matter and verbiage are eliminated in the justifications for 1950, with substantial reduction in the volume of material presented. Proper care should be exercised to insure maximum clarity and uniformity in presenting all information relative to the estimates. The departmental budget officer should confer with the committee staff in this regard.

The estimate of $409,000 for salaries for the office of the Secretary has been reduced to $380,000, a decrease of $29,000, of which $20,000 should be applied against employment of public-relations personnel. There are presently 7 such employees in the office of the Secretary and 28 elsewhere in the Department, an excessive number. Only 13 messengers are currently employed in the Secretary's office, and the number authorized has been reduced from 18 to 15.

The estimate for personal or property damage claims, $50,000, is admitted by the Department to be a mere guess, and has been reduced to $30,000.

Obligations for penalty mail in 1948 are estimated in the budget at $5,900,000, leaving $800,000 of the current appropriation unused. No increase for 1949 has been justified, and the estimate has been reduced from $6,350,000 to $5,900,000, in conformity with 1948 requirements.

The appropriation for refunds under the Renegotiation Act, administered by the Secretary of the Treasury, has consistently been grossly overestimated since its inception. The estimate of $3,250,000 for 1949 has been reduced by the committee to $2,000,000, the amount presently estimated in the budget to be necessary for 1948.

Despite a reduction of personnel in the Division of Tax Research for 1949, the budget proposes no offsetting reduction in funds. The committee has reduced the estimate of $141,400 to $110,000 to compensate for the proposed smaller number of employees. This appropriation should not be utilized to pay for work performed for foreign governments unless such is authorized by law.

The office of the General Counsel is staffed with 56 persons, of whom only 19 are attorneys. There are 477 attorneys in the entire Legal Division of the Treasury Department, the majority of whom are in the Bureau of Internal Revenue. In all, the Treasury Department estimates for 1949 include $5,500,000 for legal services, and the office of the General Counsel is, according to the Acting General Counsel, largely a service organization for which no work-load statistics are maintained. The amount for this office has been reduced from $250,000 for 1948 to $225,000 for 1949. The detailed legal work is performed principally outside this office in the various bureaus, and the amount provided is adequate for the function of correlating departmental legal activities in addition to any detailed legal work required of this unit.

Funds for the Division of Personnel have been reduced from the estimate of $127,000 to $120,000, since in the past 3 years there has been a constant reduction in the total numbers of civilian personnel in the Treasury Department.

The departmental witness who sought to justify the appropriation for health-service programs for the Department was unable to advise

whether absenteeism on account of illness is reduced by these programs, and no adequate justification for the entire program was given. Notwithstanding this, the committee feels that since these programs were only recently authorized by law, they should be continued with respect to the Treasury Department. The estimate of $75,000 has been reduced to $70,000, and the Department should be able to furnish adequate information and justification of the magnitude and merit of these programs in the future.

BUREAU OF ACCOUNTS

Appropriation, 1948	$13, 655, 000
Estimate, 1949	14, 068, 000
Recommended in bill, 1949	13, 518, 000

Appropriations for this Bureau include salaries and expenses for accounting for and control of appropriations made to various agencies of the Government, preparation of financial statements relating to public funds, disbursing appropriated funds and the administration of funds for payment of certain claims against the Government. Reductions totaling $550,000 have been made in the estimates, which aggregate $14,068,000, for each of the various items under this Bureau. The Bureau of Accounts is liquidating certain war agencies and is billing and collecting for lend-lease items transferred to foreign governments. Certain procuring agencies are tardy in furnishing documents for billings to foreign governments, thus delaying the process of winding up lend-lease accounts. The Secretary of the Treasury should insist upon cooperation of all procurement agencies in the prompt completion of these billings and collections. The committee feels that further delay in this respect should not be tolerated, as it might well result in loss to the Government.

The Division of Disbursement has made some progress in reducing expenses, and the committee hopes that no effort will be spared to effect further reductions.

An appropriation of $325,000 was requested for augmenting the Government losses-in-shipment fund. Although not apparent from its title, losses resulting from erroneous bond redemptions by fiscal agents of the Government are also reimbursed from this fund. Statutory authority for this appropriation is doubtful, and the committee is convinced that the $336,000 balance in the fund is adequate to meet requirements in 1949.

BUREAU OF THE PUBLIC DEBT

Appropriation, 1948	$65, 913, 000
Supplemental estimate, 1948	361, 000
Estimate, 1949	54, 513, 200
Recommended in bill, 1949	52, 800, 000

This Bureau manages transactions in the public debt issues of the United States, matters relating to the paper currency of the United States, and contains a division for promoting the sale of savings bonds to individuals. In its report on the appropriations for the Bureau of the Public Debt for 1947, the committee found it necessary to be critical of the inadequate measure of responsibility evidenced by this Bureau regarding estimates for appropriations to be transferred to other agencies for services to be performed. Such transfers must continually be subjected to the exercise of the most careful appraisal

and control. The committee now notes that transfers of funds to support activities in the office of the Secretary, office of the Fiscal Assistant Secretary and the technical staff are contemplated in 1949. Such interdepartmental transfers reflect a type of budgetary management which the committee cannot continue to sanction. Treasury Department estimates for the next fiscal year should not include provisions for financing departmental activities by transfers between appropriations, but should reflect separate appropriations for such organizational and functional units as are necessary to efficient operations.

The 1949 estimate for the appropriation "Administering the public debt" includes $4,658,100 for the Division of Savings Bonds. When this activity was justified for the fiscal year 1948, the amount of $2,889,862 was requested. The Department now plans to increase the amount to be used in 1948 to $3,564,900, obtaining the difference by utilizing funds otherwise considered as surplus. These increases are based upon a program of greatly accelerated promotional efforts to sell savings bonds. Full utilization of voluntary services will permit a reduction of the amount requested for 1949. Accordingly, the committee has reduced the estimate to $3,750,000, which is an increase over the amount to be used in 1948. Inasmuch as the Department apparently has a propensity to utilize appropriated funds in accordance with its own discretion rather than upon the basis of its budgetary justifications submitted to the Congress, the committee has provided a limit upon the amount of funds for promoting bond sales.

The estimate of $54,513,200 for administering the public debt has been reduced to $52,800,000.

Apart from the decrease noted in the amount provided for the savings bond program, economies are possible in all other activities of this bureau.

The volume of redemptions of paper currency has greatly exceeded that estimated when the 1948 budget was submitted, and the cost of paper has increased. A supplemental appropriation for the purchase of distinctive paper for United States currency is now pending, and the committee has allowed the full amount of $1,300,000 requested in the budget for 1949.

OFFICE OF THE TREASURER OF THE UNITED STATES

Appropriation, 1948	$5,040,000
Estimate, 1949	5,040,000
Recommended in bill, 1949	4,980,000

The volume of work of this office is dependent largely upon the number of checks drawn for Government expenditures and the number of transactions relating to public-debt operations. No important changes in volume are apparent in 1949. The majority of this appropriation is for personal services. The reduction of $20,000 against salaries and expenses can readily be absorbed in filling vacated positions at lower salaries, and the reduction of $40,000 in printing and binding is based upon the fact that the 1949 estimate is greatly in excess of the amount expended in 1947 and the rate of expenditure in the first 6 months of the current year.

BUREAU OF NARCOTICS

Appropriation, 1948	$1,434,000
Estimate, 1949	1,434,000
Recommended in bill, 1949	1,450,000

During examination of the estimates for this Bureau, interrogation of the Commissioner by the committee revealed that a modest increase in appropriations above the estimate could be utilized to station two operators abroad for investigations and preemptive operations at the sources of narcotics shipments. The Commissioner is confident that such activity will greatly aid in control and enforcement of narcotic laws in the United States. The committee heartily endorses the expenditure of this relatively small sum as sound investment in controlling illicit narcotics traffic. While $25,000 was said to be the amount necessary for this foreign activity, in view of the unobligated balance of this appropriation for 1947 and the savings thus far in 1948, two operators can be maintained abroad with the additional amount of $16,000 provided in the bill.

BUREAU OF ENGRAVING AND PRINTING

Appropriation, 1948	$12,005,000
Supplemental estimate, 1948	1,650,000
Estimate, 1949	12,830,000
Recommended in bill, 1949	12,000,000

A supplemental estimate of $1,650,000 for 1948 is for producing additional paper currency, based upon the increase in the volume of redemptions above that originally estimated for 1948. This should be a nonrecurring item, and should not be reflected in the amount required for 1949. Estimates of the work load of this Bureau are somewhat erratic. Although the estimate includes $125,000 for additional equipment, testimony of the Director was to the effect that no need therefor can be seen at the present time. The amount appropriated for 1948 is deemed to be more realistic than that estimated for 1949, and the amount provided in the bill represents a reduction of $830,000 below the 1949 estimate of $12,830,000.

BUREAU OF INTERNAL REVENUE

Appropriation, 1948	$188,000,000
Estimate, 1949	188,000,000
Recommended in bill, 1949	186,736,000

The estimate of $188,000,000 for 1949 has been reduced by $1,264,000 to $186,736,000. Provision has been made in the bill which separates the appropriation for personal services, for which $168,736,000 is recommended; and the appropriation for objects of expenditure other than personal services, for which $18,000,000 is recommended. The limitation proposed by the Budget on expenditures for personal services in the District of Columbia was $16,530,000. This has been reduced in the bill by $530,000 to $16,000,000, since the Bureau in adjusting its operations under the 1948 appropriation did not sufficiently reduce unnecessary and inefficient activities in the Washington office. Thus, no reduction has been made in the funds requested for personal services in the field where the most important enforcement work is and should be concentrated.

Last year the budget estimate for the Bureau was $208,000,000, against which the Congress applied a reduction of $20,000,000 and appropriated $188,000,000. Very strong criticism of this action was voiced by Treasury Department spokesmen, and when the President signed the Treasury-Post Office appropriation bill for 1948, he released a statement which read in part as follows:

> I am advised by the Secretary of the Treasury and the Commissioner of Internal Revenue that the reduction of $20,000,000 in the appropriation of the Bureau of Internal Revenue will mean a reduction in personnel of 4,000 to 5,000 employees and will result in a direct loss of revenue of not less than $400,000,000 in fiscal year 1948.

A large part of the criticism of the committee and the Congress in this respect was based upon the often-repeated concept advanced by the Bureau of Internal Revenue that for each $1 of funds spent by it $20 in revenue is collected. It should be noted that the Bureau of Internal Revenue requested the President to ask Congress for $213,000,000 for 1948. The President reduced this request by $5,000,000, and using the same arithmetic by which the figure in the aforementioned statement was computed, the President caused a loss of $100,000,000 in revenues by his own action. But since last July the President has decided that the amount appropriated for the Bureau for 1948 will be adequate for 1949, and it should be noted that a distinct change has occurred in the $20 for $1 ratio. The Commissioner of Internal Revenue testified that:

> For the fiscal year 1947, for every dollar spent we received in return $22.75 and for the first 4 months of 1948 for every dollar we spent, we received in the way of production $27.83.

This often-cited ratio fluctuates. Apparently the Bureau divides tax revenues by its expenditures for the equivalent period and arrives at this ratio of production. There is thus no magic formula whereby x dollars spent on salaries and expenses for the Bureau produces y dollars in revenue. The revenue has flowed in, either regardless of the efforts of the Bureau or because the Bureau has settled down to work and improved its effectiveness. But the mere correlation of these statistical data is not proof that the one figure determines the other. Enforcement activities doubtless result in the discovery and collection of unreported or erroneously reported taxes. The productivity of such efforts, however, is not measurable solely in terms of dollars spent for salaries and expenses of the Bureau. Such productivity is dependent upon the degree of efficiency and effectiveness of the operations of the Bureau and not merely upon the total number of persons on the pay roll.

When the 1948 appropriation for the Bureau was under consideration the Bureau pointed out that it audits 3 percent of the tax returns filed each year, and such audits are said to be productive of increased tax collections. Notwithstanding approximately a 10-percent reduction in appropriations for 1948, the Bureau is still able to audit 3 percent of its returns. The Commissioner testified that this is attributable to increased efficiency on the part of the investigative force. Obviously, a reduction in appropriations was helpful to the Bureau and seems to have encouraged increased efficiency and output.

It should be noted that statistics of the Bureau's enforcement accomplishments contain inflated figures. Bureau officials admit that when a tax assessment is made the amount is counted in enforcement

figures, and when a warrant for collecting the same tax is issued the amount is again counted. These officials state, however, that the amount of inflation in enforcement figures is small. Inaccurate figures offered as a basis for budgetary action provide no basis for enhancing the confidence of the committee in any agency.

In its report last year the committee stated that enforcement activities of the Bureau and the Alcohol Tax Unit should not be curtailed because of reduced funds. The conference report on last year's bill, which was duly considered and adopted by both Houses, directed that enforcement activities of the Bureau should not be curtailed. The Bureau, however, did not follow these instructions.

Complaints of inefficiency in the operations of the Bureau have been heard for many years, and last year led the committee to institute an investigation. The investigators' report pointed out many glaring inefficiencies but, when interrogated thereon, Bureau officials in general denied or sought to explain away nearly all allegations of inefficiency.

The investigators found discipline and administrative control lax in the Washington office of the Bureau, and estimated that it is securing no more than six productive hours of work per day, on the average, from its employees. In the face of such conditions, the Congress is urged to appropriate large sums of money to support, in effect, loafing on the job. This is like stoking the furnace while the upstairs windows are open. The Commissioner testified that he has taken steps to correct this situation and will take stronger action if necessary. If the Commissioner finds it necessary to discharge supervisory personnel for failure to exercise proper control over employees, he should receive the full support of all concerned.

The investigators found that the training division of the Bureau is "an aggravated example of inefficiency and lost motion." The Commissioner agreed to look into this matter. Reports of the Bureau's own field supervisors contain repeated references to the fact that employees are not keeping current in their correspondence instruction courses. The Bureau puts great importance on the completion of correspondence studies by its personnel, and considers such activity in connection with employee efficiency ratings. The committee is led to believe, however, that in actual practice this policy is not fully carried out in assigning efficiency ratings. The training program should either be reduced or employees should be required to utilize it more fully, and delinquencies in respect to such training should be given greater weight in actual efficiency ratings.

There are indications of cumbersome procedures and an inordinate degree of specilization in certain departmental units of the Bureau. These should be thoroughly surveyed and the results reported to the committee next year. The office of the chief counsel is one of the units referred to, and there is some indication that this office is overstaffed.

The audit review divisions in the Washington office of the Bureau appear to be engaging in much duplication of the efforts of the field units, and the committee feels that economies in these divisions can be effected without impairment of necessary service.

The personnel of these divisions are generally in lower salary grades than are the field employees whose work they review, and the small number of errors found in such reviews do not appear to warrant the

procedure. It should be reduced or eliminated, and it is to this end that part of the reduction in the amount available for expenditure at the seat of Government has been made.

The most serious defect in the organization and operations of the Bureau is the fact that the men who are charged with the actual collection of the revenue, the collectors, are political appointees. The Commissioner, who administers the entire Bureau, does not have effective control over the collectors throughout the country. Whether collectors of internal revenue actively attend to the affairs of their offices or merely bask in their patronage appears to be largely a matter of their own volition.

The committee recommends the enactment of legislation whereby the appointment of collectors of internal revenue would be removed from the patronage system and placed under civil-service laws and regulations. This would be a major progressive step in the operations of the Bureau, even though the administration of the civil-service system is badly in need of widespread improvements.

In the course of their survey the committee investigators visited the office of the collector of internal revenue in Boston, Mass. An extremely lax and inefficient administration was discovered. Evidence found in the files of the assistant collector was highly indicative of violations of the Hatch Act.

In Hartford, Conn., officials in the office of the collector of internal revenue have been indicted for violations of the Hatch Act.

Two employees in the office of the collector of internal revenue in Newark, N. J., recently flushed several bundles of income-tax records down a drain. This was not discovered for several months, resulting in costly confusion. Proper supervision in this office would seem to have either prevented such an incident or reduced the ensuing confusion and cost.

It was brought out in the hearings that a grand jury investigation was scheduled to start on February 23, 1948, with respect to alleged political activity in the office of the collector of internal revenue at Milwaukee, Wis.

The cashier in the office of the collector of internal revenue in Wilmington, Del., was recently convicted of embezzlement. Reports of the Bureau's own field supervisors, which are printed in the hearings on the bill, establish the fact that the collector at Wilmington had definite notice of irregularities on the part of his cashier many months before the defalcations were reported to the Bureau in Washington. Also the Bureau had notice in a report from its own field supervisor dated October 31, 1946, that the cashier was not complying with the Bureau's accounting regulations. The following quotations from this report are significant:

> In the absence of any kind of a record or work sheet reflecting settlement of the cash drawer, it could only be concluded that the same carelessness and neglect attended the reconciliation of cash receipts.
>
> * * * and Mr. Flynn's signature to the monthly Form 68 constituted a falsification of facts and figures.

Other inefficiencies in varying degree were found in other collection districts throughout the country. Copies of numerous reports of the Bureau's own supervisors of accounts and collections are contained in the hearings, with comments thereon by the Bureau. These reports from the Bureau's own files conclusively establish that ex-

treme laxity and gross inefficiency pervade many collectors' offices, and the action reported thereon by the Bureau leads the committee to conclude that the standards of efficiency and administrative control observed by the Bureau are entirely inadequate.

There appears to be an unnecessary and cumbersome degree of specialization in the work of enforcement personnel. The organizational structure and lines of administrative authority, including the inconsistent alinement of field organizations of the various units of the Bureau, the accounting and control of appropriated funds, and many other aspects of the management of the Bureau should be subjected to thorough objective analysis and revision.

It is recommended that the Commission on Organization of the Executive Branch of the Government undertake a thoroughgoing analysis of the Bureau of Internal Revenue at the earliest possible moment. The great importance of this agency which collects the revenues for operating the Government requires that it be given the highest priority in the Commission's program.

SECRET SERVICE DIVISION

Appropriation, 1948	$2,813,400
Supplemental estimate, 1948	10,700
Estimate, 1949	2,819,600
Recommended in bill, 1949	2,814,600

The only reduction in estimates of appropriations under the Secret Service Division is $5,000 for salaries and expenses for the guard force for Treasury buildings. The budget provides for a reduction in guard personnel but includes no equivalent reduction in expenditures for objects other than personal services. As already indicated under the discussion of departmental offices, the committee recommends that the guard force be returned to the office of the Secretary. Its operations are of a routine nature and are not the same specialized type of police work as that of the Secret Service. The budget estimates for salaries and expenses of the Secret Service and the White House Police have been approved in full by the committee. Protection for the President and the President-elect in an election year will require adequate funds, and criminal activities such as counterfeiting, which is on the increase, should not be neglected.

BUREAU OF THE MINT

Appropriation, 1948	$6,467,500
Estimate, 1949	4,696,000
Recommended in bill, 1949	4,505,000

Although the budget estimates for the Bureau of the Mint have been reduced from the amount appropriated for 1948, principally because of the reduced demand for coin, inspection of its budget shows that it generally overestimates requirements for funds. There were unused balances of the amounts appropriated for the past 3 years, including $891,413, in 1946; $1,622,788, in 1947, and an estimate of $1,557,000, in 1948. The estimates of $4,696,000 for 1949 have been reduced by $191,000, which should not prevent the bureau from employing auditors necessary to the gold and silver programs, as contemplated by the estimates.

BUREAU OF FEDERAL SUPPLY

Appropriation, 1948	$1,480,000
Estimate, 1949	11,620,000
Recommended in bill, 1949	1,550,000

The estimate for the direct appropriation for salaries and expenses of this Bureau for 1949 is the same amount as authorized for 1948, $1,310,000. Additional administrative expenses for its operations, however, are obtained from its capital account known as the general supply fund. Expenses paid from this fund for 1948 are estimated at $4,418,000. An appropriation of $10,000,000 is requested to increase the general supply fund from its present amount of $8,000,000 to $18,000,000. An increase of $500,000 over the 1948 amount of administrative expenses derived from this fund is estimated for 1949 under the proposed capital increase.

Much of the authority under which the Bureau of Federal Supply conducts and implements its operations is carried in the annual appropriation bill. The activities of the Bureau are increasing rapidly, and the testimony of the Director indicates that plans are being made and legislation is being prepared for extensive expansion of the scope of the Bureau's operations. The committee has been informed that the Bureau of the Budget is preparing legislative proposals, which, though still in preliminary stages, apparently will bring some of the functions of the surplus property disposal program under this Bureau and transfer the Bureau from the Treasury Department to the Federal Works Agency. And the Commission on Organization of the Executive Branch of the Government is surveying Government-wide supply and procurement activities.

It would be premature to recommend an appropriation which would more than double the general supply fund, and thus provide for a great expansion of the operations of the Bureau of Federal Supply, while important studies and legislative proposals relating to its operations are being developed. Its activities should receive careful scrutiny by the proper legislative committee before its scope is enlarged, and the committee is not disposed to recommend to the House that legislative authority for this Bureau be carried in an appropriation bill after 1949. It is recommended, however, that such language be carried in the bill for 1949, since its elimination would result in precipitous interruption of a going program.

Apart from the fact that reorganization of the Bureau of Federal Supply is under consideration there are other substantial reasons why the committee recommends that the general supply fund should not be increased at this time. Centralization of procurement and supply functions of the Government appears to be meritorious for certain standardized supplies and equipment. Though savings in net cost to the Government are alleged under centralized procurement, no convincing evidence has been presented to the committee that all Government procurement or even a greatly expended program thereof could be economically and efficiently centralized under the Bureau of Federal Supply or any other agency. Some Government establishments allege and some, such as the Post Office Department, have offered proof that they can purchase more economically than can the Bureau of Supply some of the items required for their operations. The reason given for increasing the general supply fund is that of increasing the volume of centrally procured supplies for Government

agencies. This would require the financing of larger inventories, and increased working capital would be needed to finance the lag between payments to suppliers and the liquidation of accounts receivable. A year or so ago the average time required for the Bureau of Federal Supply to collect amounts due from Government agencies was 90 days. Testimony reveals that by efforts on the part of Federal Supply officials, this period has now been reduced to approximately 45 days. The cumbersome and outmoded system of checks and balances of controlling Federal funds under the warrant procedure is a factor which makes elimination of the lag in collections difficult. However, the results already accomplished prove that improvements can be made, and they must be made. It would be the worst kind of public policy to appropriate money to offset the propensity of Government administrators not to settle their accounts and pay their bills promptly. Testimony indicates that it is possible for operating agencies requisitioning from or through the Bureau of Federal Supply to advance purchase funds from their appropriations when accompanied by specific orders. Therefore, the committee has not included funds in the accompanying bill to increase the supply fund.

There are other operations of the Bureau of Federal Supply, the value of which are highly doubtful, such as the special furnishings section. The printing section of the purchase branch is said to edit all manuscripts of the Treasury Department submitted for printing, allegedly saving money. However, what often happens is merely the verbatim retyping from one form to another, a complete duplication of effort, and a completely wasteful operation.

The appropriation for printing and binding for the Bureau of Federal Supply covers the costs of printing the Daily Treasury Statement as well as certain reports wholly unrelated to the operations of this bureau. Printing and binding funds are also provided for the respective bureaus, including the Bureau of Accounts which prepares and publishes the Daily Treasury Statement. The principle specified previously in this report, that of having appropriations conform to the operations and functions of the various units, should be followed with respect to the Bureau of Federal Supply as well as all other units of the Department in the budget for 1950.

Estimates totaling $1,620,000 for salaries and expenses, printing and binding, and expenses for determining net renegotiation rebates have been reduced by amounts aggregating $70,000 which can readily be absorbed. An increased transfer in amount of $30,000 from the general supply fund for printing and binding is, however, recommended.

TYPEWRITER PURCHASES

As indicated in its report on the Treasury-Post Office Appropriation bill for 1948, the committee instituted a survey of Government requirements for typewriters. The report of this investigation revealed that the Government now has a staggering number of typewriters on hand. As of August 1947 the Federal Government had approximately 1 typewriter for each 2.5 Federal employees, and had approximately 3.6 typewriters for each of the stenographers, typists, and correspondence clerks employed. The report also revealed that there were nearly 15,000 electric typewriters on hand as of August 15, 1947, and various agencies proposed to purchase 900 additional electric type-

writers in 1948. Thus, during the period when ordinary typewriters have been difficult to obtain, some agencies have been purchasing electric typewriters for more than double the regular commercial price of ordinary mechanical typewriters. While many typists doubtless prefer to use electric typewriters, owing to their ease of operation and the large number of copies which their use makes possible, there is no measurable reduction in cost or increase in efficiency to the Government in the use of such machines except for isolated and specialized work. There has not been and will not be any reduction in the number of typists requested by the departments and agencies as a result of the purchase of electric typewriters regardless of any alleged increases in efficiency, and the net effect will be the increased cost to the taxpayers of such machines.

In summary, it is obvious that the Government now has more than an adequate supply of typewriters to meet all requirements for the coming year. This being the case, there is no justification for the purchase of a single typewriter, ordinary, electric, portable, or otherwise, during the fiscal year 1949. To permit the purchase of typewriters under these conditions would be a breach of trust on the part of the Congress in these times when the crushing expenses of Government are already a portentous menace to our system of free enterprise. In this connection, the question of possible discrimination against manufactures of typewriters is brought up. Demand for typewriters on the part of business and institutional customers and private individuals currently exceeds production capacity. It would thus be to the advantage of typewriter manufacturers to have a moratorium on purchases by the Government during the period when the available supply is inadequate for the demands of private users. Therefore, the committee has inserted a provision in the accompanying bill which prohibits the purchase of any typewriters by the Government in the fiscal year 1949.

While there is no question that the total supplies of typewriters now owned by the Government will more than fill all essential requirements, it is possible that the departments and agencies which have surplus machines will not necessarily be the ones whose requirements may expand in the coming year. To overcome this possibility, provision has been made in the bill whereby surplus typewriters will be surrendered to the Bureau of Federal Supply for redistribution to other agencies needing additional or replacement machines. The Bureau of Federal Supply has trucks, warehouse facilities, a typewriter-repair shop with trained personnel, and also has a Government Requirements Division already experienced in redistributing stocks between agencies. In addition it has a revolving fund, which can be drawn upon on a temporary basis to cover the costs of administration, hauling, repairing, and storing typewriters in the process of redistribution until the agencies receiving typewriters from the central stocks can be charged by the Bureau of Federal Supply. This is the only Government agency with these unique characteristics, which is the reason it was selected for carrying out this activity.

TITLE II—POST OFFICE DEPARTMENT

For the postal service a total of $1,691,269,250 is contained in the bill for departmental and field activities in 1949, representing a reduction of $19,375,250 in the budget estimates, and an increase of $85,335,700 over appropriations for 1948. However, supplemental estimates now pending for 1948 total $141,318,800, and if this amount is added to appropriations already made for 1948, the sum provided in the bill represents a reduction of $55,973,100 below the total 1948 figure.

POSTAL REVENUE AND EXPENDITURES

Although the Committee on Appropriations has emphasized this matter previously, it is important in considering the budget for the postal service to bear in mind certain factors which are not involved in the consideration of other parts of the budget. A very large portion of the cost of operating the postal service is predetermined by or in pursuance of statute. The Postmaster General has authority to appoint certain types of employees in such numbers as are needed to render service which the Department is required by law to perform. Such authority is obviously necessary in order that the mail be moved and delivered whenever, wherever, and in whatever volume it is delivered to post offices. The rates of compensation paid to postal employees are fixed by law. The rates charged by railroads for hauling mail are fixed by the Interstate Commerce Commission, and the rates paid for air-mail transportation are determined by the Civil Aeronautics Board. The calculation of the amounts to be appropriated for operating the postal service from year to year is thus entirely a process of making the most accurate estimate possible as to the volume of mail to be deposited by the public in post offices, and on the basis of applicable laws, to determine how much money will be required to move and deliver that volume of mail. Therefore, considerations such as how much of the available Government revenues can wisely be allocated to moving the mail are for the most part academic in the process of making appropriations for the Post Office Department.

The fiscal year 1948 demonstrated the principles under discussion. Under the annual budgetary cycle, estimates of appropriations, which are based on estimated mail volume, for the fiscal year ending June 30, 1948, were first prepared in July of 1946. At that time all indications were that postal revenues would follow the moderately downward trend then operative and would approximate $1,257,400,000. (The volume of postal revenues is indicative of the volume of mail and service transactions.) Congress acted on the postal budget, and appropriated $1,531,661,050 for operating the postal service in 1948. Meanwhile, during the 12 months which had elapsed since the preparation of estimates on which such appropriations were based, the Post Office Department found that the trend of postal business instead of declining was showing a marked rise. Supplemental estimates for appropriations totaling $162,384,100 were submitted to the Congress just as the fiscal year 1948 began. The committee recommended that a "wait-and-see" attitude be adopted, and $74,272,500 was appropriated, with authority for the Department to draw

heavily upon its available funds in the first part of the year in the event of continuing increases in mail volume.

While the time-consuming process of translating postal-revenue statistics into volume and number of pieces of mail for the first 6 months of fiscal year 1948 has not yet been completed, figures for that period indicate the largest volume of postal receipts in history. Revenues for the first half of 1948 were approximately $719,000,000, an increase of 12.4 percent over the equivalent 6 months of the previous year, indicating that total revenues for the year will probably exceed $1,400,000,000. Total postal revenues for 1949 are estimated in the budget at $1,384,732,000. This estimate was made more than 6 months ago and postal business meanwhile has increased at a rate which now indicates that the 1949 budget may well be too low. If this proves true, the appropriations recommended in the bill for 1949 may prove inadequate. Therefore, the committee can see no wisdom in making substantial reductions in the budget estimates for the Post Office Department.

MANAGEMENT OF THE POST OFFICE DEPARTMENT

For the first time in history, a career employee has become Postmaster General. The committee has great confidence in Mr. Donaldson's ability and integrity, and congratulates him on his achievement.

His appointment has had a highly beneficial effect on the morale of postal workers. This, coupled with the fact that the postal service is now completing its postwar readjustments in personnel, affords the incumbent Postmaster General an opportunity to apply his wide knowledge of postal operations so as to institute all possible improvements in efficiency and reductions in costs in the operation of the postal establishment.

SALARIES, DEPARTMENTAL BUREAUS AND OFFICES

The general increase in postal business increases somewhat the work loads of the various departmental offices. Therefore, the amounts contained in the bill for nearly all departmental offices are greater than amounts provided for 1948. The committee recommends such increases to provide for additional employees to aid in controlling the allocation of funds for field operations throughout the country. While increases over 1948 are recommended in most instances, the committee feels that the increases requested in the budget are not fully justified, and has reduced the 1949 estimates somewhat for all departmental offices.

For the office of the Postmaster General, an increase of $20,000 over the 1948 appropriation of $406,600 has been provided to cover the cost of the safety program. This is a meritorious activity which should be pushed with vigor. Other requested increases have not been granted, since a realinement in personnel by reducing public relations and personnel staffs can be effected so as to provide positions for other types of activity deemed necessary for this office.

The Office of Budget and Administrative Planning has been granted part of the increase requested. This Office was established only 6 years ago, and the amount of $65,000, which is a reduction of $3,300 below the estimate for 1949, is more than double its initial appropria-

tion in 1943. The committee feels that the increase provided is adequate. The establishment, possibly under this office, and as may be recommended by the legislative committee, of a research laboratory for making engineering studies to reduce the volume of manual labor in handling and moving the mails would be a most progressive step, and there is great need for continuing analysis of postal procedures and methods.

Twenty new positions were requested for the Office of the First Assistant Postmaster General, at a cost of approximately $50,000. The explanation made for part of this increase was to reduce the backlog of work in this Office, which is not considered by the committee as an adequate justification. The estimate of $1,200,000 has been reduced to $1,162,500 in the bill.

The Office of the Second Assistant Postmaster General requested 12 new positions for 1949 at a cost of $48,000. However, the work-simplification program and a direct survey are reportedly resulting in the saving of the equivalent of 17 positions per year. These savings should provide adequate funds for new or expanding activities and reclassifications, and only a small increase for automatic salary advances is recommended. The estimate of $990,000 has been reduced to $928,000 in the bill.

No new positions are requested for the Office of the Third Assistant Postmaster General, and the increase requested is attributed to automatic salary advancements and costs of normal personnel turnover. This appears to be excessive, and only part of the requested increase is provided in the bill. The amount of $1,350,000 is recommended, a reduction of $12,000 below the estimate of $1,362,000. The preliminary report of the Committee on Post Office and Civil Service indicates that more modern mechanical devices and methods could be applied to the systems under this Office with resultant savings. To increase such mechanization, which the committee feels is highly important, $400,000 of the appropriation for miscellaneous supplies and equipment has been reserved for the acquisition of machines for activities under the jurisdiction of the Third Assistant Postmaster General.

The increase requested for the Office of the Fourth Assistant Postmaster General would provide for 35 additional employees, including 16 to restore positions abolished under recommendation of the committee last year and 19 new positions. Increases for the Topography Division are not deemed justified. Map reproduction methods now used appear to be antiquated and should be modernized with resultant savings in cost. Two additional positions appear to be justified for the Division of Post Office Quarters, but the increase recommended for administering the vehicle service is not approved by the committee. The vehicle service badly needs improved administration, but manpower for augmenting the archaic methods and policies now prevailing with respect to this service would be merely nurturing obsolescent operating concepts. One engineer and one additional stenographer appear to be justified for the Division of Public Buildings Operation. Less than half the increase requested for this office is provided in the bill. The estimate of $823,000 has been reduced to $752,000 in the bill.

The estimate of $250,000 for the office of the Solicitor is approved in full, as there is considerable work to be done on rail and air mail rates.

The Solicitor should continue to intervene for the Department in all transportation rate cases, and should be constantly alert to the possibility of initiating petitions for transportation rate reductions.

The office of the Chief Inspector, for which the estimate of $408,100 was reduced to $405,000, has been granted a small increase over 1948, and the estimate of $85,000 for the office of the Purchasing Agent is approved in full.

The Bureau of Accounts has had unused balances in its appropriation in each of the past 2 years, and expenditures in the first part of 1948 are less than the amount available. The estimate of $525,000 has been reduced to $485,000. The committee encourages the saving of unnecessary funds, but, based on the recent experience of this office, feels that a reduction of the 1949 estimate is in order.

Part of the increase requested for contingent expenses has been provided in the bill. The estimate of $204,300 has been reduced to $160,000. The increase for furniture is based, in part, on additional employees requested for various bureaus. As these increases have not been granted, additional furniture for them will be unnecessary. Funds for the purchase of 200 typewriters will not be necessary in view of the provision contained in title I of the bill. The amount contained in the bill for contingent expenses is based on the rate of expenditure during the first 5 months of the current year.

Two million dollars has been provided for printing and binding for the department and postal service, which is an increase of $50,000 over the amount appropriated in 1948 but a reduction of $228,000 in the estimate of $2,228,000 for 1949. In the interest of economy, the Post Office Department should make every effort to hold this expenditure down, and the exercise of better control of printed forms in the field service appears possible. The increased estimate is due partly to increased printing costs, which must be considered, but also to increased volume in printing, which can be controlled.

INSPECTION SERVICE

Appropriation, 1948	$6,493,000
Estimate, 1949	6,641,100
Recommended in bill, 1949	6,541,000

The Bureau of the Budget reduced the amount requested for salaries of inspectors because permissive promotions were being made too fast, and no provision is made in the personnel tabulation for lapses occasioned by personnel turn-over. While the committee is not inclined to recommend reductions which would reduce the number of inspectors to be employed, by decreasing the number of permissive promotions and eliminating funds to compensate for unused balances which remained in previous years, a reduction in the estimates for 1949 can be made. This has been carried out in the bill. Similar considerations are applicable with respect to appropriations for travel and miscellaneous expenses and clerks of the inspection service. No justification for increasing the appropriation for payment of rewards has been submitted, in the opinion of the committee.

COMPENSATION TO POSTMASTERS

Appropriation, 1948	$87,470,000
Estimate, 1949	88,470,000
Recommended in bill, 1949	87,900,000

There is an estimated unused balance in this appropriation for 1948 in the amount of $1,331,000, so the increase requested for 1949 actually amounts to $2,331,000. There were unused balances in 1945 and 1946, showing a tendency to overestimate this item. The estimate of $88,470,000 has been reduced to $87,900,000.

While salaries of postmasters generally follow the trend of postal receipts, they do not fluctuate in direct proportion thereto. Therefore, the current rising trend of revenue does not necessarily call for an equivalent increase in this appropriation. It should be pointed out that salaries of postmasters are fixed by statute, and the amount of the appropriation does not in any way affect the salary of any postmaster.

ASSISTANT POSTMASTERS

Appropriation, 1948	$12, 800, 000
Estimate, 1949	12, 850, 000
Recommended in bill, 1949	12, 500, 000

The Bureau of the Budget reduced the Department's estimate for funds under this item by $1,650,000. There have been in each of the past 3 years unused balances in amounts appropriated for this purpose, and during the first half of 1948, actual expenditures have run at a rate below the total funds available. Increased postal receipts have a very minor effect on the salaries paid to assistant postmasters. In view of the foregoing, a reduction of $350,000 below the estimate of of $12,850,000 has been effected in the amount recommended for this item.

CLERKS, FIRST- AND SECOND-CLASS POST OFFICES

Appropriation, 1948	$487, 400, 000
Supplemental estimate, 1948	34, 600, 000
Estimate, 1949	531, 000, 000
Recommended in bill, 1949	530, 000, 000

This appropriation is highly sensitive to the volume of mail and service transactions, and the increased volume of postal business justifies the appointment of new regular clerks as requested by the Department. However, it is doubtful, in view of the shortage on eligibility registers of applicants for regular positions, that the Department can convert substitutes to regulars as rapidly as it anticipates and desires. Therefore, the estimate of $531,000,000 has been reduced by $1,000,000. Increases in overtime and night-work differential are requested, and every effort should be made to hold compensation for such work at a minimum. In addition, it is hoped that the Postmaster General will utilize his wide knowledge of the postal system to the fullest possible extent in controlling allowances to postmasters, thereby saving as much as possible of the funds provided for this purpose. The increase of the amount provided for 1949 exceeds by $7,000,000 the total amount estimated to be necessary in 1948.

CONTRACT STATION SERVICE

Appropriation, 1948	$3, 500, 000
Estimate, 1949	3, 800, 000
Recommended in bill, 1949	3, 500, 000

This program in the long run accomplishes savings in postal expenditures. It is doubtful, however, that the Department has use for the full amount requested for 1949. The Bureau of the Budget reduced the amount requested by $300,000. Unused balances have run between $200,000 and $350,000 per year in the past 3 years, and the

amount provided for 1948 seems adequate for the coming year. Therefore the estimate of $3,800,000 had been reduced by $300,000.

SEPARATING MAIL AND UNUSUAL CONDITIONS

Appropriation, 1948	$205,000
Estimate, 1949	221,400
Recommended in bill, 1949	205,000

High percentages of the amounts appropriated for these functions in recent years have been unused, leading to the conclusion that the Department overestimates the amounts necessary. Therefore, the committee does not consider the increases requested as justified, and the amounts contained in the bill are the same as those provided for 1948, which represents a reduction of $17,400 below the 1949 estimate of $221,400.

CLERKS, THIRD-CLASS POST OFFICES

Appropriation, 1948	$24,000,000
Estimate, 1949	26,000,000
Recommended in bill, 1949	25,500,000

There were unused balances in this appropriation in each of the past three fiscal years. Testimony indicates that the total number of third-class post offices decreased in 1946 and 1947, with an estimated decrease in 1948. While the process of increasing the number of regular clerks in third-class post offices, as distinguished from substitute clerks, is continuing, the number of regular clerks which are being appointed is in excess of the number of substitutes converted to regulars, which, in effect, creates new positions amounting to about $1,900,000. Owing to the decline in the number of third-class offices and the unduly low estimates of lapses resulting from personnel turnover, the committee recommends that the estimate for 1949 be reduced by $500,000.

DETROIT RIVER POSTAL SERVICE

The 1949 estimate of $12,750 is recommended for this service. The Department should explore the possibility of having operators of the vessels served supply this service, or the use of helicopters.

CARFARE AND BICYCLE ALLOWANCES

Appropriation, 1948	$2,125,000
Supplemental estimate, 1948	175,000
Estimate, 1949	3,000,000
Recommended in bill, 1949	2,800,000

If the supplemental appropriation request for 1948 for this purpose is granted, the 1949 estimate will exceed the 1948 appropriations by $700,000. The committee is not convinced that such an increase is justified; although in view of the fact that city-delivery service has necessarily been expanded, some increase in carfare and bicycle allowances is in order. The amount provided in the bill is $200,000 less than the budget estimate, and the increase granted over 1948 should be used primarily to facilitate the extension of city-delivery service. The Department should make a thorough survey of possible means of getting carriers to their routes without use of public transportation systems. With a fleet of vehicles as large as that possessed by the Post Office Department, such should be possible and should result in considerable savings.

CITY-DELIVERY CARRIERS

Appropriation, 1948	$295, 300, 000
Supplemental estimate, 1948	20, 000, 000
Estimate, 1949	326, 000, 000
Recommended in bill, 1949	326, 000, 000

The estimate for 1949 for this appropriation is more than $10,000,000 in excess of the amount appropriated plus the supplemental estimate for 1948. This is based on the increased volume of mail and also on the extension of city-delivery service required for delivery of mail to new housing projects throughout the country. Many housing projects for veterans and their families, as well as for the general public, are being located in suburbs. This has required thousands of extensions in city-delivery routes and is not offset by declines in the existing number of routes serving older municipal areas. The committee feels that the estimate for 1949 is entirely justified.

SPECIAL-DELIVERY SERVICE

Appropriation, 1948	$14, 750, 000
Supplemental estimate, 1948	750, 000
Estimate, 1949	17, 000, 000
Recommended in bill, 1949	16, 000, 000

The cost of special-delivery service was greatly increased following enactment of Public Law 134 (79th Cong.), which put special-delivery messengers on a salary basis and provided hourly rates for the use of automobiles. The estimate for 1949 exceeds the amount appropriated for 1948, plus the supplemental estimate for 1948, by nearly $2,000,000. The Department has stated that it contemplates the discontinuance of delivery reports on special-delivery mail, which would lead to considerable economy. The estimate reflects an increased amount for hiring of substitute messengers. The committee feels that the amount estimated for 1949 is excessive, and has provided a reduced amount in the bill. Savings should be possible by the discontinuance of delivery reports and curtailing use of substitutes. The committee expects to inquire further into this matter next year.

The committee has received correspondence from various persons interested in the special-delivery service which implies that the Post Office Department is not giving the most careful attention in the operation of the special-delivery service. The complaints allege that the Department desires by inflating the cost under Public Law 134 to ultimately cause its repeal. The committee is unable to affirm the accuracy of such allegations and hopes they are unfounded. The Department is urged to do everything possible to keep the cost of this service at a minimum with a view not only of reducing Government expenditures, but to silencing any unfair criticism.

RURAL DELIVERY SERVICE

Appropriation, 1948	$131, 167, 000
Estimate, 1949	135, 719, 000
Amount recommended in bill, 1949	135, 719, 000

The estimate for 1949 reflects an increase of $4,552,000 over the amount provided for 1948. The increased volume of mail, together with construction of new housing, justifies the requested increase in this appropriation. It is highly important that the Department con-

tinue its survey relating to the consolidation of rural routes and that it effectuate all possible consolidations so as to reduce the cost of this service.

STAR-ROUTE SERVICE

Appropriation, 1948	$23, 213, 000
Supplemental estimate, 1948	765, 000
Estimate, 1949	25, 501, 000
Recommended in bill, 1949	25, 501, 000

The appropriation for star-route service formerly related only to star routes within the continental limits of the United States. A separate appropriation was previously made for star-route and air-mail service in Alaska. A rearrangement of appropriations has included in this item overland star-route service both within the continental limits of the United States and in Alaska, and has transferred the cost of Alaskan air-mail transportation to the appropriation for domestic air-mail service.

Increases in this appropriation for 1949 are based on the necessity for instituting new star routes and extending present star routes to supplement delivery of mail to points not served at all by railroads or served on inadequate train schedules. Star route contracts expiring during the fiscal year 1949 are also estimated to be at increased rates when relet, owing to the increased cost of operating and maintaining vehicles. Also, in view of the fact that the law under which contracts for star-route service are let provides that contractors may cause their contracts to be readvertised, it is estimated that new contracts let in 1949 under this provision of law will reflect marked increases.

The Department plans an expansion of the highway post-office service wherever possible to substitute for discontinued rail service, and there is a greatly accelerated trend in the discontinuance of railroad service in many parts of the country at the present time. Highway post-office service is proving to be a comparatively economical and efficient method of moving mail, and the committee reiterates its prior approval of the expansion of this service.

One hindrance to the establishment of highway post-office service in many parts of the country is the absence of Government garages, which are necessary for upkeep and maintenance of the vehicles used. It was testified that the Department had contacted operators of bus lines in an effort to have them bid on operating highway post offices. The committee feels that every effort should be made to encourage bus operators to undertake this service in order that their garage and other facilities might enable the establishment of this type of service in areas where railway service is either inadequate or not available, and in cases where railway service proves more expensive than highway service.

RAILROAD TRANSPORTATION

Appropriation, 1948	$145, 000, 000
Supplemental estimate, 1948	59, 920, 000
Estimate, 1949	165, 881, 000
Recommended in bill, 1949	165, 881, 000

The appropriation for 1948 and the estimate for 1949 were based on railroad mail rates in effect up to December 1948 and the anticipated volume of mail to be transported in the respective periods. The volume of mail has increased substantially in 1948, by more than 13

percent over that estimated before the fiscal year began, which accounts for $22,144,000 of the supplemental estimate for 1948. In December 1947 the Interstate Commerce Commission ordered an interim increase of 25 percent in railroad mail rates retroactive to February 19, 1947. The fiscal 1948 portion of this increase amounts to $37,775,820, as reflected in the supplemental estimate. As the estimate for 1949 was prepared prior to the date this rate increase was ordered, it will most likely be inadequate for 1949 operations. The full amount of the budget estimate is provided in the bill.

Special contracts with railroads are authorized by statute for transportation of mails where the Postmaster General believes special conditions warrant higher rates. Testimony reveals that there were six such special contracts in effect as of July 1, 1947, providing for an annual increase over regular rates in amount of $111,763. The committee questions the necessity for such special contracts, and desires that the Department undertake a survey to ascertain the possibility of their discontinuance.

New streamlined railway-post-office cars, which have proved very satisfactory to the postal service, are being put into operation. The Department should endeavor to obtain the use of additional new and more economical cars.

RAILWAY MAIL SERVICE, SALARIES

Appropriation, 1948	$104, 100, 000
Supplemental estimate, 1948	3, 900, 000
Estimate, 1949	109, 195, 000
Recommended in bill, 1949	109, 188, 000

The increase in the estimate for 1949 amounts to $1,195,000 more than the appropriation for 1948 and the supplemental estimate for 1948. Approximately 500 positions will be converted from substitute status to regular, which occasions very little increase in total cost but should improve efficiency. The principal item of increase for 1949 is automatic salary increases. Owing to the increased mail volume the amount provided in the bill equals the estimate for 1949, except for a minor reduction of $7,000. The Department requested authority to employ one general superintendent at large for the highway-post-office service. The committee does not agree that this position is necessary and accordingly has reduced the estimate to offset the elimination of the position. The Department did a commendable job in substantially reducing the cost of overtime and is urged by the committee to continue such reduction.

FOREIGN MAIL TRANSPORTATION

Appropriation, 1948	$19, 500, 000
Supplemental estimate, 1948	14, 600, 000
Estimate, 1949	23, 842, 000
Recommended in bill, 1949	23, 842, 000

The transportation of mail to foreign countries by steamship is paid for by this appropriation. The volume of such mail has increased in the first 5 months of 1948 by more than 80 percent over the equivalent months of fiscal 1947. This great increase is attributable principally to the sending of gift parcels of food and clothing to foreign countries. A number of bills have been introduced in Congress pro-

viding that gift parcels for foreign relief would be accepted by the Post Office Department at reduced rates or free of postage. If such legislation is enacted, the Department estimates that the volume of this type of mail will increase tremendously over the unprecedented quantities currently being sent. The amount recommended in the bill does not include estimates for postage-free or reduced-rate mail, but is predicated on the high volume of foreign mail already experienced.

BALANCES DUE FOREIGN COUNTRIES

Appropriation, 1948	$8, 250, 000
Estimate, 1949	3, 250, 000
Recommended in bill, 1949	3, 000, 000

This appropriation provides a fund from which advances are made to United States-flag air carriers for amounts due them for transporting air mail from foreign countries to the United States. There is a lag in the payment by foreign countries for such service. This fund permits the Department to advance funds to American carriers in anticipation of such payments, and all advances are subsequently recovered. Although the estimate for 1949 was reduced in the bill, a provision in the bill establishes a continuing revolving fund without fiscal year limitation, making $8,000,000 available for this purpose in 1949.

FOREIGN AIR-MAIL SERVICE

Appropriation, 1948	$40, 500, 000
Estimate, 1949	26, 583, 000
Recommended in bill, 1949	19, 500, 000

The amounts necessary for pay of air carriers from this appropriation have not been definitely ascertainable since the end of the war, owing to the fact that the Civil Aeronautics Board has not activated all certificated routes or established final rates for all overseas American-flag carriers. Of the amount appropriated for 1948, more than $13,000,000 is being held in suspense pending action by the Board. No accurate estimate can be made at this time as to the amount needed for 1949, and the amount requested in the budget has been reduced to a figure more in keeping with probable requirements. It is understood, of course, that if and when the Civil Aeronautics Board activates routes certificated or establishes final or increased rates for carriers, the Department will submit supplemental estimates.

DOMESTIC AIR-MAIL SERVICE

Appropriation, 1948	$47, 000, 000
Estimate, 1949	35, 588, 000
Recommended in bill, 1949	32, 000, 000

The 1949 estimate for this appropriation includes $1,117,373 for the operation of routes in Alaska certificated by the Civil Aeronautics Board. The estimate is based on the assumption that there will be no increase in air-mail rates paid to carriers by the Civil Aeronautics Board, and upon an assumed 25 percent increase in volume in 1949 over 1948. The Department stated that the amount required for payments to air carriers is partly dependent upon carriers' revenues from sources other than mail pay, and if other revenues are

higher in 1949, payments from this appropriation could be considerably lower in 1949. All airlines now have rate applications pending with the Civil Aeronauties Board, and the budget estimate is little more than a guess. A reduetion in the estimate is reflected in the bill, it being understood that rate rulings by the Civil Aeronauties Board might require supplemental appropriations.

MANUFACTURE OF STAMPS

Appropriation, 1948	$9, 400, 000
Estimate, 1949	9, 911, 000
Recommended in bill, 1949	9, 335, 000

The requested inerease for the printing of postal eards appears justified. Testimony reveals that eommereial establishments are among the heaviest users of 1-cent postal cards. The Department is required by statute to sell and aecept for delivery 1-eent eards, but the eommittee doubts that it was the intent of the Congress to require the handling of such cards at less than eost for commercial and advertising purposes. The total cost of printing, handling, and delivery of sueh eards is in exeess of the revenue obtained from their sale, and it is presumed that the legislative eommittee on postal matters will take eognizanee of this faet. Although there has been a 10-pereent deerease in the sale of stamped envelopes in 1948, the estimate for 1949 eontemplates the manufaeture of 79,000,000 more envelopes in 1949 than in 1948. Metered mail, which does not require funds from this appropriation, is inereasing by leaps and bounds, and although in very small proportion, sales of stamps have decreased in 1948. Therefore, no adequate justification for an increased appropriation has been made with respeet to this item, and the amount provided in the bill represents a small deerease below the 1948 amount.

POST-OFFICE SUPPLIES AND EQUIPMENT

Appropriation, 1948	$6, 500, 000
Supplemental estimate, 1948	815, 000
Estimate, 1949	7, 850, 000
Recommended in bill, 1949	7, 158, 000

The supplemental estimate for 1948 is based upon the increased eost of supplies and equipment sinee the original 1948 estimate was prepared more than a year and a half ago. The inerease in the estimate for 1949 reflects price inereases with respeet to the supplies and equipment requested, and exeeeds the 1948 appropriation plus the estimated 1948 supplemental by $535,000. The Department had 18,748 typewriters on hand as of July 1, 1947, and the estimate ineludes funds for the purehase of 2,500 typewriters in 1949 at a eost of $207,700. This amount is unneeessary in view of the provision in title I of the bill. The data furnished in support of the estimate also indicated inereased purehases of other office machines, and increased amounts of a miseellany of supplies.

Although reeognizing that inereased prices on purehases must be paid, no adequate justifieation of the need for inereased quantities of sueh equipment and supplies has been made, and the amount provided in the bill is a reduction of $692,000 below the budget estimate.

The requested elimination of the provision earmarking funds for

the purchase of modern postal devices does not seem advisable. This proviso was originally inserted at the request of the Third Assistant Postmaster General, according to testimony by the Department, and if it is eliminated, it is most likely that no new mechanical devices will be obtained. It is highly important that labor-saving devices be installed to reduce the cost of operations. The committee has observed that certain elements in the Office of the Fourth Assistant Postmaster General appear to be consistently opposed to modernization of postal operations, which is lamentable. The Post Office Department of the United States is one of the largest business operations in the world, and its costs are mounting faster than its revenues are increasing. Every effort to mechanize and streamline its operating methods must be encouraged to the maximum, and it is hoped that officials who do not advocate improvements will not be permitted to obstruct progress.

In its preliminary report, entitled "Survey and Study of the Postal Service" (H. Rept. No. 1242, 80th Cong., 2d sess.), the Committee on Post Office and Civil Service indicated that important savings might be effected by the mechanization of mail-separating operations, and $100,000 has been earmarked in the bill for initiating such a program.

EQUIPMENT SHOPS

Appropriation, 1948	$6, 700, 000
Supplemental estimate, 1948	425, 000
Estimate, 1949	12, 907, 250
Recommended in bill, 1949	12, 800, 000

These shops, which are used for the manufacture of mail bags and locks, have produced savings compared to purchases of such equipment from commercial suppliers. During the war large numbers of bags and pouches were lost and damaged in the transmission of mail to the armed forces overseas, and the shortage of sacks is a serious problem to the Department. The need for new mail sacks and repairs to old sacks is thoroughly justified, and providing the funds requested for this purpose should lead to very large savings next year. Some difficulty was experienced in fiscal 1947 and preceding years in securing competent personnel. The committee believes that competent personnel will not be available to carry out the ambitious program the Department has planned, and a reduction of the estimate has been effected on this account.

The Department desires to expand its shop facilities for the manufacture and repair of sacks and locks. Legislative authority is necessary before an appropriation for this purpose can be made, and the legislative committee now has the matter under consideration. As evidence of the economy involved in the operation of such shops, the Department points out that it is currently paying for one class of sack an average of $3.20 each. Their shops can manufacture the same type sack at present for $2.32. Considering the millions of sacks needed by the Department, it would appear that additional shop facilities would be a sound investment.

VEHICLE SERVICE

Appropriation, 1948	$38, 500, 000
Supplemental estimate, 1948	3, 277, 000
Estimate, 1949	42, 914, 000
Recommended in bill, 1949	42, 000, 000

The total truck fleet of the Department is 10,218 units, of which 7,733 are more than 10 years old, 6,856 are more than 15 years old, 189 are more than 20 years old, and 90 are more than 25 years old. Obviously, the cost of operating vehicles which have been in service for such periods of time is entirely uneconomical. The Department recommends that the entire fleet be replaced as soon as possible, and estimates that the present cost of replacing all vehicles is $22,700,000. Of the total sum required, $4,514,000 is available in 1948, and the estimate of $4,400,000 for 1949 is recommended by the committee in the bill. The balance necessary to effect complete replacement is $13,786,000.

The committee is in general agreement that the entire fleet should be replaced with new vehicles in the interest of economy. However, there are many other factors in the operation of the Vehicle Service which need attention in the interest of economy and efficiency. The officials in charge of this service seem to be inordinately reluctant to discuss this Service from a constructively critical point of view. It is well known that the Vehicle Service has performed in a highly commendable manner. During the war especially it had a remarkable record of maintaining difficult schedules and operating under the most trying conditions. However, the Service is not operated in such manner that unit costs are ascertainable, and it is impossible without adequate cost data to eliminate inefficient operations and take advantage of modern improvements in repair and maintenance methods. The Vehicle Service operates 90 service garages without the benefit of hydraulic lifts for greasing and repairs. Greasing equipment is reported to be not the most economical type. First-aid facilities in garages were testified to be of "standard types," and the Public Health Service has never been requested to survey such facilities for their adequacy. The director of the safety program should put the Vehicle Service at the top of his list in undertaking his new program in the Department, and the committee desires to have a thorough and objective report on the safety standards in garages and all other operations of the Vehicle Service.

Although funds were made available on July 1, 1947, for the purchase of approximately 2,000 trucks, no orders had been placed as of December 11, 1947, when the committee held hearings on the bill. In view of the urgent need for new vehicles, it is difficult to understand why bids were not solicited much sooner. The committee has been informed that the Department rigidly adheres to specifications which have been in effect for many years when purchasing trucks, which prevent some manufacturers who have modernized their designs from bidding. This reduces competition in the bidding on Government purchases, and denies the taxpayers price advantages inherent in a competitive system. Bids were opened in January 1948 for supplying approximately 1,400 trucks for which appropriations were available on July 1, 1947. Only one supplier bid to supply these trucks as complete units, obviously owing to the arbitrary insistence of the Department on outmoded specifications. The early delivery of trucks ordered in fiscal 1947, and the prompt procurement of trucks for which funds have been appropriated in 1948 and recommended for 1949, will permit the Department to replace more than half its present fleet.

The estimate of $42,914,000 for 1949 has been reduced in the accompanying bill to $42,000,000 in anticipation of a reduction in mainte-

nance costs and other economies which can be effected. The Postmaster General should see to it that the oldest and most uneconomical trucks are completely disposed of when new equipment is obtained. The committee will not look with favor upon deficiency or supplemental estimates for operating the Vehicle Service in the future unless full advantage has been taken of all possible economies.

Limitations and Legislative Provisions

The following limitations and legislative provisions not heretofore carried in the bill are recommended:

On page 8, lines 7 and 8, under "Bureau of the Public Debt, Treasury Department":

including not to exceed $3,750,000 for promoting the sale of savings bonds

On page 21, beginning at line 10 and continuing through line 25, page 22, under "Bureau of Federal Supply, Treasury Department":

No part of any money appropriated by this or any other Act shall be used during the fiscal year 1949 for the purchase, within the continental limits of the United States, of any typewriting machines (except bookkeeping and billing machines).

Each agency in the executive branch of the Government (which shall include all departments, independent establishments, and wholly owned Government corporations) is authorized and directed (1) to report within thirty days after the enactment of this Act, or by July 1, 1948, whichever is the later, to the Director of the Bureau of Federal Supply the total number of typewriting machines in the possession or custody of such agency and the number thereof surplus to its requirements, and (2) to surrender and ship such surplus typewriting machines as the Director of the Bureau of Federal Supply may direct. Costs of packing and shipping hereunder shall be charged to the general supply fund. Each agency shall furnish the Director of the Bureau of Federal Supply such information regarding typewriting machines as he may from time to time request. The Bureau of Federal Supply is authorized and directed to receive and hold all typewriting machines surrendered to it hereunder and to distribute same to any of such agencies as the Director of the Bureau of Federal Supply may determine.

The Director of the Bureau of Federal Supply is authorized and directed at such times as he may determine to be necessary to survey and determine the number and kinds of typewriters which are at any time surplus to the requirements of any agency. Upon such determination the Director of the Bureau of Federal Supply is authorized to direct, upon such notice and in such manner as he may prescribe, the head of any agency to surrender to the Bureau of Federal Supply any and all typewriting machines, surplus to its requirements, and such determination and direction by the Director of the Bureau of Federal Supply shall be final and conclusive upon all agencies, officers, and employees of the executive branch of the Government of the United States.

The Director of the Bureau of Federal Supply is authorized to charge each agency to which typewriting machines are supplied hereunder amounts equal to the fair value thereof, as determined by him, and such amounts shall be credited to the general supply fund.

On page 32, lines 10 through 20, inclusive, under "Balances due foreign countries, Post Office Department":

Provided, That there shall be established immediately, by transfer of $5,000,000 from the appropriation for "Balances due foreign countries" for the fiscal year 1948, a revolving fund which shall be available without fiscal year limitation for advances to air carriers for the transportation of air mail from foreign countries to the United States as authorized by section 2 of the Act of July 27, 1940 (49 U. S. C. 485b), and payments hereafter received from foreign countries on account of air carriers for the transportation of air mail from foreign countries to the United States shall be credited to such fund.

On page 34, lines 9 and 10, under "Miscellaneous supplies and equipment, Post Office Department:"

and of which $100,000 shall be available exclusively for mechanizing devices for separation of mails

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949

PERMANENT INDEFINITE APPROPRIATIONS

Object	Appropriations, 1948	Estimates, 1949	Increase (+) or decrease (−)
General and special funds:			
Interest on deposits of public moneys of Government of Philippine Islands	$2,766,667	$3,100,000	+$333,333
Pershing Hall memorial fund	5,083	5,083	----------
Interest on the public debt	5,200,000,000	5,250,000,000	+50,000,000
Statutory public debt retirements	818,509,810	624,763,000	−193,746,810
Total, general and special funds	6,021,281,560	5,877,868,083	−143,413,477
Trust funds:			
Federal old-age and survivors insurance trust fund	1,819,500,000	1,896,774,000	+77,274,000
Unemployment trust fund	1,404,050,100	1,416,611,930	+12,561,830
Payment of unclaimed moneys	100,000	100,000	----------
American Samoa trust fund	1,500	1,500	----------
Puerto Rico trust fund	5,300	5,300	----------
Expenses, Prohibition Act, Puerto Rico and Virgin Islands	105,600	91,700	−13,900
Total, trust funds	3,223,762,500	3,313,584,430	+89,821,930

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE I—TREASURY DEPARTMENT

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
OFFICE OF SECRETARY OF TREASURY					
Secretary's Office, salaries	$409,000	$409,000	$380,000	−$29,000	−$29,000
Personal or property damage claims	20,000	50,000	30,000	+10,000	−20,000
Penalty mail costs	6,700,000	6,350,000	5,900,000	−800,000	−450,000
Refunds under Renegotiation Act	7,500,000	3,250,000	2,000,000	−5,500,000	−1,250,000
Total, Office of the Secretary	14,629,000	10,059,000	8,310,000	−6,319,000	−1,749,000
Foreign funds control, liquidation	275,000			−275,000	
Division of Tax Research, salaries	200,000	[1] 141,400	110,000	−90,000	−31,400
OFFICE OF GENERAL COUNSEL					
Salaries	250,000	250,000	225,000	−25,000	−25,000
Contract settlement, salaries and expenses	75,000	75,000	75,000		
Total, Office of General Counsel	325,000	325,000	300,000	−25,000	−25,000
DIVISION OF PERSONNEL					
Salaries	127,000	127,000	120,000	−7,000	−7,000

Health service programs	75,000	75,000	70,000	−5,000	−5,000
Total, Division of Personnel	202,000	202,000	190,000	−12,000	−12,000
OFFICE OF CHIEF CLERK					
Salaries	326,000	326,000	300,000	−26,000	−26,000
Miscellaneous expenses	225,000	[2] 253,000	240,000	+15,000	−13,000
Printing and binding	35,000	[3]		−35,000	
Total, Office of Chief Clerk	586,000	579,000	540,000	−46,000	−39,000
Treasury buildings, custodial force, salaries	650,000	650,000	645,000	−5,000	−5,000
FISCAL SERVICE					
BUREAU OF ACCOUNTS					
Salaries and expenses	1,016,000	[4] 1,505,000	1,475,000	+459,000	−30,000
Deposit of withheld taxes, salaries and expenses	460,000	[5]		−460,000	
Printing and binding	60,000	[6]		−60,000	

[1] Excludes $58,600 for activities transferred in the estimates to "Administering the public debt."
[2] Includes $28,600 for activities previously carried under "Printing and binding, Treasury Department."
[3] Estimate of $28,600 for activities previously carried under this item has been transferred in the estimates to "Miscellaneous expenses, Treasury Department."
[4] Includes $527,207 previously carried under other appropriations.
[5] Estimate of $460,000 for activities previously carried under this item has been transferred in the estimates to "Salaries and expenses, Bureau of Accounts."
[6] Estimate of $60,000 for activities previously carried under this item has been transferred in the estimates to "Salaries and expenses, Bureau of Accounts."

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE I—TREASURY DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
FISCAL SERVICE—Continued					
BUREAU OF ACCOUNTS—continued					
Disbursement, Division of:					
Salaries and expenses	$9,935,000	[7] $10,070,000	$10,000,000	+$65,000	−$70,000
Printing and binding	170,000	([8])	----------	−170,000	----------
Contingent expenses, public moneys	400,000	400,000	375,000	−25,000	−25,000
Recoinage of silver coins	200,000	150,000	150,000	−50,000	----------
Relief of the indigent, Alaska	14,000	18,000	18,000	+4,000	----------
Fund for payment of Government losses in shipment	----------	325,000	----------	----------	−325,000
Refund of moneys erroneously received and covered	700,000	700,000	700,000	----------	----------
Payment of certified claims	700,000	900,000	800,000	+100,000	−100,000
Total, Bureau of Accounts	13,655,000	14,068,000	13,518,000	−137,000	−550,000

BUREAU OF THE PUBLIC DEBT					
Administering the public debt	64, 800, 000	[9] 53, 213, 200	51, 500, 000	−13, 300, 000	−1, 713, 200
Distinctive paper for United States currency	1, 113, 000	1, 300, 000	1, 300, 000	+187, 000	
Total, Bureau of the Public Debt	65, 913, 000	54, 513, 200	52, 800, 000	−13, 113, 000	−1, 713, 200
OFFICE OF THE TREASURER OF THE UNITED STATES					
Salaries and expenses	4, 900, 000	[10] 5, 040, 000	4, 980, 000	+80, 000	−60, 000
Printing and binding	140, 000	([11])		−140, 000	
Total, Office of the Treasurer	5, 040, 000	5, 040, 000	4, 980, 000	−60, 000	−60, 000
BUREAU OF INTERNAL REVENUE					
Salaries and expenses	188, 000, 000	188, 000, 000	186, 736, 000	−1, 264, 000	−1, 264, 000
Additional income tax on railroads in Alaska	3, 500	4, 500	4, 500	+1, 000	
Total, Bureau of Internal Revenue	188, 003, 500	188, 004, 500	186, 740, 500	−1, 263, 000	−1, 264, 000

[7] Includes $170,000 for activities previously carried under "Printing and binding, Division of Disbursement," and excludes $7,207 for activities transferred to "Salaries and expenses, Bureau of Accounts."

[8] Estimate of $170,000 for activities previously carried under this item has been transferred in the estimates to "Salaries and expenses, Division of Disbursement."

[9] Includes $58,600 for activities previously carried under "Salaries, Division of Tax Research and Research and Statistics."

[10] Includes $140,000 for activities previously carried under "Printing and binding, Office of the Treasurer of the United States."

[11] Estimate of $140,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Office of the Treasurer of the United States."

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE I—TREASURY DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
BUREAU OF NARCOTICS					
Salaries and expenses	$1,430,000	[12] $1,434,000	$1,450,000	+$20,000	+$16,000
Printing and binding	4,000	([13])	----------	−4,000	----------
Total, Bureau of Narcotics	1,434,000	1,434,000	1,450,000	+16,000	+16,000
BUREAU OF ENGRAVING AND PRINTING					
Salaries and expenses	12,000,000	[14] 12,830,000	12,000,000	----------	−830,000
Printing and binding	5,000	([15])	----------	−5,000	----------
Total, Bureau of Engraving and Printing	12,005,000	12,830,000	12,000,000	−5,000	−830,000
SECRET SERVICE DIVISION					
Departmental salaries	85,000	([16])	----------	−85,000	----------
Suppressing counterfeiting and other crimes	1,550,000	([17])	----------	−1,550,000	----------
Salaries and expenses	----------	[18] 1,715,000	1,715,000	+1,715,000	----------
White House Police:					
Salaries	372,900	([19])	----------	−372,900	----------

Uniforms and equipment	9,000	[20]		−9,000	
Salaries and expenses		[21] 370,000	370,000	+370,000	
Treasury buildings, guard force, salaries and expenses	720,000	650,000	645,000	−75,000	−5,000
Printing and binding	8,000	[22]		−8,000	
Reimbursement to District of Columbia	68,500	84,600	84,600	+16,100	
Total, Secret Service Division	2,813,400	2,819,600	2,814,600	+1,200	−5,000
BUREAU OF THE MINT					
Director's Office, salaries and expenses	185,000	[23]		−185,000	

[12] Includes $4,000 for activities previously carried under "Printing and binding, Bureau of Narcotics."
[13] Estimate of $4,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of Narcotics."
[14] Includes $5,000 for activities previously carried under "Printing and binding, Bureau of Engraving and Printing."
[15] Estimate of $5,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of Engraving and Printing."
[16] Estimate of $86,600 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Secret Service."
[17] Estimate of $1,620,400 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Secret Service."
[18] Estimate of $1,715,000 is a consolidation of "Salaries, Secret Service Division," "Printing and binding, Secret Service Division," and "Suppressing counterfeiting and other crimes."
[19] Estimate of $361,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, White House Police."
[20] Estimate of $9,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, White House Police."
[21] Estimate of $370,000 is a consolidation of the appropriations, "Salaries, White House Police," and "Uniforms and equipment, White House Police."
[22] Estimate of $8,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses Secret Service."
[23] Estimate of $205,650 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses Bureau of the Mint."

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE I—TREASURY DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
BUREAU OF THE MINT—Continued					
Salaries and expenses	----------	[24] $4, 691, 000	$4, 500, 000	+$4, 500, 000	−$191, 000
Transportation of bullion and coin	22, 500	5, 000	5, 000	−17, 500	----------
Mints and assay offices, salaries and expenses	6, 250, 000	([25])	----------	−6, 250, 000	----------
Printing and binding	10, 000	([26])	----------	−10, 000	----------
Total, Bureau of the Mint	6, 467, 500	4, 696, 000	4, 505, 000	−1, 962, 500	−191, 000
BUREAU OF FEDERAL SUPPLY					
Salaries and expenses	1, 310, 000	1, 310, 000	1, 275, 000	−35, 000	−35, 000
General supply fund	----------	10, 000, 000	----------	----------	−10, 000, 000
Printing and binding	170, 000	170, 000	150, 000	−20, 000	−20, 000
Renegotiation rebates	----------	[27] 140, 000	125, 000	+125, 000	−15, 000
Total, Bureau of Federal Supply	1, 480, 000	11, 620, 000	1, 550, 000	+70, 000	−10, 070, 000
Total, Treasury Department, title I, regular annual appropriations	313, 678, 400	306, 981, 700	290, 453, 100	−23, 225, 300	−16, 528, 600

POST OFFICE DEPARTMENT WASHINGTON, D. C.					
Salaries					
Postmaster General, office of	$375,000	$406,600	$395,000	+$20,000	−$11,600
Office of Budget and Administrative Planning	59,500	68,300	65,000	+5,500	−3,300
First Assistant Postmaster General, office of	1,115,000	1,200,000	1,162,500	+47,500	−37,500
Second Assistant Postmaster General, office of	[1] 1,033,500	990,000	928,000	−105,500	−62,000
Third Assistant Postmaster General, office of	1,332,500	1,362,000	1,350,000	+17,500	−12,000
Fourth Assistant Postmaster General, office of	712,500	823,000	752,000	+39,500	−71,000
Solicitor's office	250,000	250,000	250,000	----------	----------
Chief inspector's office	400,000	408,100	405,000	+5,000	−3,100
Purchasing agent's office	83,800	85,000	85,000	+1,200	----------

[24] Estimate of $4,691,000 is a consolidation of the appropriations, "Salaries and expenses, Office of the Director of the Mint," and "Printing and binding, Bureau of the Mint."

[25] Estimate of $4,475,350 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of the Mint."

[26] Estimate of $10,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of the Mint."

[27] Estimate is for activities carried in the fiscal year 1948 under "Working fund, Bureau of Federal Supply, 1947," established by transfer from the War and Navy Departments, the U. S. Maritime Commission, and the Reconstruction Finance Corporation.

[1] Includes $123,500 appropriated in Second Supplemental Appropriation Act, 1948.

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE II—POST OFFICE DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
POST OFFICE DEPARTMENT WASHINGTON, D. C.—continued					
Salaries—Continued					
Bureau of Accounts	$500,000	$525,000	$485,000	−$15,000	−$40,000
Total salaries	5,861,800	6,118,000	5,877,500	+15,700	−240,500
Contingent					
Miscellaneous expenses, Washington	145,000	204,300	160,000	+15,000	−44,300
Printing and binding	[2] 1,950,000	2,228,000	2,000,000	+50,000	−228,000
Total, contingent expenses, Washington	2,095,000	2,432,300	2,160,000	+65,000	−272,300
Grand total, Post Office Department, Washington, D. C.	7,956,800	8,550,300	8,037,500	+80,700	−512,800
FIELD SERVICE					
Office of Postmaster General					
Travel and miscellaneous expenses	3,000	3,000	3,000		
Personal property claims	230,000	230,000	175,000	−55,000	−55,000

Adjusted losses and contingencies	[3] 130,000	80,000	75,000	−55,000	−5,000
Total, Office of Postmaster General	363,000	313,000	253,000	−110,000	−60,000
Office of Chief Inspector					
Inspectors' salaries	4,300,000	4,400,000	4,350,000	+50,000	−50,000
Traveling and miscellaneous expenses	960,000	983,100	958,000	−2,000	−25,100
Clerks at headquarters	1,178,000	1,188,000	1,178,000		−10,000
Rewards, payment of	55,000	70,000	55,000		−15,000
Total, office of Chief Inspector	6,493,000	6,641,100	6,541,000	+48,000	−100,100
First Assistant Postmaster General					
Postmasters	87,470,000	88,470,000	87,900,000	+430,000	−570,000
Assistant postmasters	12,800,000	12,850,000	12,500,000	−300,000	−350,000
Clerks, first- and second-class post offices	[4] 487,400,000	531,000,000	530,000,000	+42,600,000	−1,000,000
Contract stations	3,500,000	3,800,000	3,500,000		−300,000
Separating mails at third- and fourth-class post offices	180,000	191,400	180,000		−11,400
Unusual conditions at post offices	25,000	30,000	25,000		−5,000
Clerks, third-class post offices	24,000,000	26,000,000	25,500,000	+1,500,000	−500,000
Miscellaneous items, first- and second-class post offices	3,600,000	4,000,000	3,850,000	+250,000	−150,000

[2] Includes $350,000 appropriated in Second Supplemental Appropriation Act, 1948.
[3] Includes $55,000 appropriated in Second Supplemental Appropriation Act, 1948.
[4] Second Supplemental Appropriation Act, 1948, provides for 6-percent increase in quarterly apportionments and also 5-percent reduction of appropriation for transfer to other First Assistant Postmaster General field appropriations.

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE II—POST OFFICE DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
FIELD SERVICE—continued					
First Assistant Postmaster General—Con.					
Village delivery service	$300,000	$330,000	$300,000		−$30,000
Detroit River postal service	12,750	12,750	12,750		
Carfare and bicycle allowance including special-delivery car-fare	[4] [5] 2,125,000	3,000,000	2,800,000	+$675,000	−200,000
Letter carriers, city delivery service	[4] 295,300,000	326,000,000	326,000,000	+30,700,000	
Fees to special-delivery messengers	[4] [6] 14,750,000	17,000,000	16,000,000	+1,250,000	−1,000,000
Rural delivery service	[7] 131,167,000	135,719,000	135,719,000	+4,552,000	
Total, Office of First Assistant	1,062,629,750	1,148,403,150	1,144,286,750	+81,657,000	−4,116,400
Second Assistant Postmaster General					
Inland transportation:					
Star-route service (transportation)	[8] 22,500,000	[9] 25,501,000	25,501,000	+3,001,000	
Star routes in Alaska	[10] 713,000	(11)		−713,000	
Steamboat or other powerboat routes	[8] [12] 2,000,000	2,133,000	2,133,000	+133,000	

Railroad transportation and mail-messenger service	[8] 145,000,000	165,881,000	165,881,000	+20,881,000	
Railway Mail Service:					
Salaries	[8] [13] 104,100,000	109,195,000	109,188,000	+5,088,000	−7,000
Travel allowance, railway postal clerks	[8] 5,000,000	5,237,000	5,237,000	+237,000	
Travel expenses, officials and supervisors	55,000	66,000	66,000	+11,000	
Miscellaneous expenses	450,000	510,000	490,000	+40,000	−20,000
Electric-car service	210,000	220,000	220,000	+10,000	
Foreign mail transportation (except air mail)	[14] 19,500,000	23,842,000	23,842,000	+4,342,000	
Balances due foreign countries	[15] 8,250,000	3,250,000	3,000,000	−5,250,000	−250,000
Indemnities, international mail	15,000	20,000	15,000		−5,000
Foreign air-mail transportation	[16] 40,500,000	26,583,000	19,500,000	−21,000,000	−7,083,000

[4] Second Supplemental Appropriation Act, 1948, provides for 6-percent increase in quarterly apportionments and also 5-percent reduction of appropriation for transfer to other First Assistant Postmaster General field appropriations.
[5] Includes $325,000 appropriated in Second Supplemental Appropriation Act, 1948.
[6] Includes $750,000 appropriated in Second Supplemental Appropriation Act, 1948.
[7] Includes $2,000.000 appropriated in Second Supplemental Appropriation Act, 1948.
[8] Second Supplemental Appropriation Act, 1948, provides for 4-percent increase in quarterly apportionments and also 5-percent reduction of appropriation for transfer to other Second Assistant Postmaster General field appropriations.
[9] Includes $37,000 for activities previously carried under "Star route and air mail service, Alaska."
[10] Includes $298,000 appropriated in Second Supplemental Appropriation Act.
[11] Estimates of $1,154,373 for activities previously carried under this item have been transferred to other items.
[12] Includes $300,000 appropriated in Second Supplemental Appropriation Act, 1948.
[13] Includes $100,000 appropriated in Second Supplemental Appropriation Act, 1948.
[14] Includes $10,000,000 appropriated in Second Supplemental Appropriation Act, 1948.
[15] Includes $5,000,000 appropriated in Second Supplemental Appropriation Act, 1948.
[16] Includes $35,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recomemnded in bill for 1949—Continued

TITLE II—POST OFFICE DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
FIELD SERVICE—Continued					
Second Assistant Postmaster General—Con.					
Domestic air-mail transportation	[17] $47,000,000	[18] $35,588,000	$32,000,000	−$15,000,000	−$3,588,000
Total, Office of Second Assistant	395,293,000	398,026,000	387,073,000	−8,220,000	−10,953,000
Third Assistant Postmaster General					
Manufacture and distribution of stamps and stamped paper	[19] 9,400,000	9,911,000	9,335,000	−65,000	−576,000
Indemnities, domestic mail	[20] 3,521,000	3,898,000	3,775,000	+254,000	−123,000
Unpaid money orders	[21] 1,000,000	1,017,000	900,000	−100,000	−117,000
Total, Office of Third Assistant	13,921,000	14,826,000	14,010,000	+89,000	−816,000
Fourth Assistant Postmaster General					
Stationery, equipment, and supplies	6,500,000	7,850,000	7,158,000	+658,000	−692,000
Equipment shops	[22] 6,700,000	12,907,250	12,800,000	+6,100,000	−107,250
Rent, light, and fuel	[23] 13,907,000	15,000,000	14,500,000	+593,000	−500,000
Pneumatic-tube service (New York and Boston)	700,000	744,700	740,000	+40,000	−4,700

Vehicle service	[24] 38, 500, 000	42, 914, 000	42, 000, 000	+3, 500, 000	−914, 000
Transportation of equipment and supplies	[25] 620, 000	1, 099, 000	1, 000, 000	+380, 000	−99, 000
Public buildings, maintenance and operation:					
Operating force	44, 750, 000	44, 685, 000	44, 600, 000	−150, 000	−85, 000
Operating supplies	[26] 6, 850, 000	7, 500, 000	7, 320, 000	+470, 000	−180, 000
Furniture, etc	750, 000	1, 185, 000	950, 000	+200, 000	−235, 000
Total, Office of Fourth Assistant	119, 277, 000	133, 884, 950	131, 068, 000	+11, 791, 000	−2, 816, 950
Total, field service	1, 597, 976, 750	1, 702, 094, 200	1, 683, 231, 750	+85, 255, 000	−18, 862, 450
Total, Post Office, departmental	7, 956, 800	8, 550, 300	8, 037, 500	+80, 700	−512, 800
Total, Title II	1, 605, 933, 550	1, 710, 644, 500	1, 691, 269, 250	+85, 335, 700	−19, 375, 250
Grand total, titles I and II	1, 919, 611, 950	2, 017, 626, 200	1, 981, 722, 350	+62, 110, 400	−35, 903, 850

[17] Includes $10,000,000 appropriated in Second Supplemental Appropriation Act, 1948.
[18] Includes $1,117,373 for activities previously carried under "Star route and air-mail service, Alaska."
[19] Includes $2,000,000 appropriated in Second Supplemental Appropriation Act, 1948.
[20] Includes $1,221,000 appropriated in Second Supplemental Appropriation Act, 1948.
[21] Includes $400,000 appropriated in Second Supplemental Appropriation Act, 1948.
[22] Includes $3,500,000 appropriated in Second Supplemental Appropriation Act, 1948.
[23] Includes $650,000 appropriated in Second Supplemental Appropriation Act, 1948.
[24] Includes $2,000,000 appropriated in Second Supplemental Appropriation Act, 1948.
[25] Includes $100,000 appropriated in Second Supplemental Appropriation Act, 1948.
[26] Includes $100,000 appropriated in Second Supplemental Appropriation Act, 1948.

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Union Calendar No. 714

80TH CONGRESS
2D SESSION

H. R. 5770

[Report No. 1532]

IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 1948

Mr. CANFIELD, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TREASURY DEPARTMENT

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department for the fiscal year ending June 30, 1949, namely:

OFFICE OF THE SECRETARY

Salaries: For personal services in the District of Columbia, $380,000: *Provided,* That no part of the money appropriated shall be used to pay the salaries of more than fifteen messengers assigned to duty in the Office of the Secretary.

Personal or property damage claims: For payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921), $30,000.

Penalty mail costs: For deposit in the Treasury for penalty mail of the Treasury Department (39 U. S. C. 321d), $5,900,000.

Refunds under Renegotiation Act: To enable the Secretary of the Treasury to make refunds required by section 403 (a) (4) (D) (relating to the recomputation of the amortization deduction) and by the last sentence of section 403 (i) (3) (relating to excess inventories) of the Renegotiation Act; and to refund any amount finally adjudged or determined to have been erroneously collected by the United States pursuant to a unilateral determination of excessive profits, with interest thereon (at a rate not to exceed 4 per centum per annum) as may be determined by the War Contracts Price Adjustment Board, such interest to be computed to the date of certification of the amount to the Treasury Department for payment; $2,000,000: *Provided,*

That to the extent refunds are made from this appropriation of excessive profits collected under the Renegotiation Act and retained by the Reconstruction Finance Corporation or any of its subsidiaries, the Reconstruction Finance Corporation or the appropriate subsidiary shall reimburse this appropriation: *Provided further,* That the War Contracts Price Adjustment Board or its duly authorized representatives shall certify the amount of any refunds to be made in pursuance hereof to the Secretary of the Treasury who shall make payment upon such certificate in lieu of any voucher which might otherwise be required.

DIVISION OF TAX RESEARCH

Salaries: For personal services in the District of Columbia, $110,000.

OFFICE OF GENERAL COUNSEL

Salaries: For personal services in the District of Columbia, $225,000.

Salaries and expenses, Office of Contract Settlement: For necessary expenses, including contract stenographic reporting services, to carry out the provisions of the Contract Settlement Act of 1944, $75,000.

DIVISION OF PERSONNEL

Salaries: For personal services in the District of Columbia, $120,000.

Health service programs, Treasury Department: For

health service programs, as authorized by law (5 U. S. C. 150), for employees of the Department in the District of Columbia, $70,000: *Provided,* That other appropriations in this Act shall be available for health service programs in the field.

OFFICE OF CHIEF CLERK

Salaries: For personal services in the District of Columbia, $300,000.

MISCELLANEOUS EXPENSES, TREASURY DEPARTMENT

Miscellaneous expenses: For necessary expenses of the Office of the Secretary and the bureaus and offices of the Treasury Department, not otherwise provided for, including operating expenses of the Treasury, Treasury Annex, Auditors', and Liberty Loan Buildings, and including not to exceed $25,000 for printing and binding and purchase of materials for the use of the bookbinder located in the Treasury Department; $240,000.

OFFICE OF SUPERINTENDENT OF TREASURY BUILDINGS

Salaries: For personal services in the District of Columbia, including the operating force of the Treasury Building, the Treasury Annex, the Liberty Loan Building, the Auditors' Building, and the west and south annexes thereof, $645,000.

FISCAL SERVICE

BUREAU OF ACCOUNTS

Salaries and expenses: For necessary expenses in the District of Columbia, including contract stenographic reporting services and not to exceed $50,000 for printing and binding, $1,475,000: *Provided,* That from the amount appropriated herein, the Federal Reserve banks and their branches may be reimbursed for printing and binding and other necessary expenses incident to the deposit of withheld taxes in Government depositories pursuant to the Current Tax Payment Act of 1943.

Salaries and expenses: For necessary expenses of the Division of Disbursement, including personal services in the District of Columbia, and printing and binding, $10,000,000: *Provided,* That with the approval of the Bureau of the Budget there may be transferred to this appropriation from Railroad Retirement Board, "Conservation and use of agricultural land resources, Department of Agriculture," and from available corporate funds of Government-owned or -controlled corporations, such sums as may be necessary to cover the expense incurred in performing the function of disbursement therefor.

Contingent expenses, public moneys: For contingent expenses under the requirements of section 3653 of the

Revised Statutes (31 U. S. C. 545), for the collection, safekeeping, transfer, and disbursement of the public money, transportation of notes, bonds, and other securities of the United States, transportation of gold coin and gold certificates transferred to Federal Reserve banks and branches, United States mints and assay offices, and the Treasury, after March 9, 1933, actual expenses of examiners detailed to examine the books, accounts, and money on hand at the several depositories, including national banks acting as depositories under the requirements of section 3649, Revised Statutes (31 U. S. C. 548), also including examinations of cash accounts at mints, $375,000.

Recoinage of silver coins: For expenses necessary to continue the recoinage of worn and uncurrent subsidiary silver coins of the United States now in the Treasury or hereafter received, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coins and the amount the same will produce in new coins, $150,000.

Relief of the indigent, Alaska: For the payment to the United States district judges in Alaska (not to exceed 10 per centum of the receipts from licenses collected outside of incorporated towns in Alaska), to be expended for the relief of persons in Alaska who are indigent and incapaci-

tated through nonage, old age, sickness, or accident, $18,000.

Refund of moneys erroneously received and covered: For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 18 of the Permanent Appropriation Repeal Act of 1934, approved June 26, 1934, and any other collections erroneously received and covered which are not properly chargeable to any other appropriation, $700,000.

Payment of certified claims: For the payment of claims (not to exceed $500 in any case) which may be certified during the fiscal year 1949 by the Comptroller General of the United States to be lawfully due, within the limits of, and chargeable against the balances of the respective appropriations heretofore made which, after remaining unexpended, have been carried to the surplus fund pursuant to section 5 of the Act of June 20, 1874 (31 U. S. C. 713), $800,000.

Payment of unclaimed moneys: For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 17 of the Permanent Appropriation Repeal Act of 1934, approved June 26, 1934, payable from the funds held by the United States in the trust fund receipt account "Unclaimed moneys of individuals whose whereabouts are unknown", $100,000.

BUREAU OF THE PUBLIC DEBT

Administering the public debt: For necessary expenses connected with any public-debt operations authorized by the Second Liberty Bond Act, as amended (31 U. S. C. 760–762), and with the administration of any public debt or currency issues of the United States with which the Secretary of the Treasury is charged, including not to exceed $3,750,000 for promoting the sale of savings bonds, $51,500,000, to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided,* That from the amount appropriated herein, the Federal Reserve banks and their branches may be reimbursed for expenditures made by them as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury, and advances to the Postmaster General may be made in accordance with the provisions of section 22 (e) of the Second Liberty Bond Act, as amended (31 U. S. C. 757c (e)), which section shall be construed as applying to this appropriation: *Provided further,* That the indefinite appropriation provided by section 10 of the Second Liberty Bond Act, as amended, shall not be available for obligation during the fiscal year 1949.

Distinctive paper for United States currency: For distinctive paper for United States currency, including transportation of paper, traveling, mill, and other necessary expenses, and salaries of employees and allowance, in lieu of expenses, of officer or officers detailed from the Treasury Department, not exceeding $50 per month each when actually on duty, $1,300,000: *Provided,* That in order to foster competition in the manufacture of distinctive paper for United States securities, the Secretary of the Treasury is authorized, in his discretion, to split the award for such paper for the fiscal year 1949 between the two bidders whose prices per pound are the lowest received after advertisement.

OFFICE OF THE TREASURER OF THE UNITED STATES

Salaries and expenses: For necessary expenses of the Office of the Treasurer, including not to exceed $100,000 for printing and binding, $4,980,000: *Provided,* That with the approval of the Bureau of the Budget, there may be transferred to this appropriation, from Railroad Retirement Board, "Conservation and use of agricultural land resources, Department of Agriculture," and from available corporate funds of Government owned or controlled corporations, such sums as may be necessary to cover the expenses incurred in the clearing of checks, servicing of bonds, handling of collections, and rendering of accounts therefor.

BUREAU OF INTERNAL REVENUE

Salaries and expenses: For necessary expenses in connection with the assessment and collection of internal-revenue taxes and the administration of the internal-revenue laws, including the administration of such provisions of other laws as are authorized by or pursuant to law to be administered by or under the direction of the Commissioner of Internal Revenue, including one stamp agent (to be reimbursed by the stamp manufacturers) and the employment of experts; the securing of evidence of violations of the Acts, the cost of chemical analyses made by others than employees of the United States and expenses incident to such chemists testifying when necessary; necessary expenses incurred in making investigations in connection with the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters, expenses of seizure and sale, and contract stenographic reporting services; for the acquisition of property under the provisions of title III of the Liquor Law Repeal and Enforcement Act, approved August 27, 1935 (49 Stat. 872–881), and the operation, maintenance, and repair of property acquired under such title III; purchase, for replacement (not to exceed three hundred and thirty-four) and hire of passenger motor vehicles, as follows: for personal services, $168,736,000, of which not to exceed $16,000,000 may be expended for personal services at the

seat of Government; and for objects of expenditure other than personal services, $18,000,000, including printing and binding (not to exceed $2,400,000), stationery (not to exceed $1,400,000), ammunition, and not to exceed $100,000 for detecting and bringing to trial persons guilty of violating the internal-revenue laws or conniving at the same, including payments for information and detection of such violation; in all for salaries and expenses, $186,736,000.

Additional income tax on railroads in Alaska: For the payment to the Treasurer of Alaska of an amount equal to the tax of 1 per centum collected on the gross annual income of all railroad corporations doing business in Alaska, on business done in Alaska, which tax is in addition to the normal income tax collected from such corporations on net income, the amount of such additional tax to be applicable to general Territorial purposes, $4,500.

BUREAU OF NARCOTICS

Salaries and expenses: For expenses, including the securing of information and evidence, necessary to enforce sections 2550–2565; 2567–2571; 2590–2603; 3220–3228; 3230–3238 of the Internal Revenue Code; the Narcotic Drugs Import and Export Act, as amended (21 U. S. C. 171–184); the Act of June 14, 1930 (5 U. S. C. 282–282c and 21 U. S. C. 197–198) and the Opium Poppy Control Act of 1942 (21 U. S. C. Supp. V, 188–188n), including

the employment of attorneys; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); the costs of chemical analyses made by others than employees of the United States; cost incurred by officers and employees of the Bureau of Narcotics in the seizure, forfeiture, storage, and disposition of property under the Act of August 9, 1939 (49 U. S. C. 781–788), and the internal-revenue laws; hire of motor vehicles; purchase of arms and ammunition; in all, $1,450,000, including personal services in the District of Columbia and printing and binding; not exceeding $10,000 for the collection and dissemination of information and appeal for law observance and law enforcement, including cost of printing, and not exceeding $10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice.

BUREAU OF ENGRAVING AND PRINTING

For the work of engraving and printing, exclusive of repay work, United States currency and internal-revenue stamps, including opium orders and special-tax stamps required under the Act of December 17, 1914 (26 U. S. C. 1040, 1383), checks, drafts, and miscellaneous work, as follows:

Salaries and expenses: For the Director, two Assistant Directors, and other personal services in the District of Columbia, including wages of rotary press plate printers at

per diem rates and all other plate printers at piece rates to be fixed by the Secretary of the Treasury, not to exceed the rates usually paid for such work; and other necessary expenses, including engravers' and printers' materials and other materials, including distinctive and nondistinctive paper, except distinctive paper for United States currency and Federal Reserve bank currency; purchase of card and continuous form checks; equipment of, repairs to, and maintenance of buildings and grounds and minor alterations to buildings; periodicals, examples of engraving and printing, including foreign securities and stamps, and books of reference, not to exceed $500; traveling expenses not to exceed $15,000; printing and binding; transfer to the Bureau of Standards for scientific investigations in connection with the work of the Bureau of Engraving and Printing, not to exceed $15,000; $12,000,000, to be expended under the direction of the Secretary of the Treasury.

During the fiscal year 1949 all proceeds derived from work performed by the Bureau of Engraving and Printing, by direction of the Secretary of the Treasury, not covered and embraced in the appropriations for such Bureau for such fiscal year, instead of being covered into the Treasury as miscellaneous receipts, as provided by the Act of August 4, 1886 (31 U. S. C. 176), shall be credited

when received to the appropriations for such Bureau for the fiscal year 1949.

SECRET SERVICE DIVISION

Salaries and expenses, Secret Service: For expenses necessary in detecting, arresting, and delivering into the custody of the United States marshal or other officer having jurisdiction, dealers and pretended dealers in counterfeit money, persons engaged in counterfeiting, forging, and altering United States notes, bonds, national bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments (including endorsements thereon and assignments thereof), as well as the coins of the United States and of foreign governments, and persons committing other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control, and for the protection of the person of the President and the members of his immediate family and of the person chosen to be President of the United States, including personal services in the District of Columbia; purchase (not to exceed sixteen for replacement only) and hire of passenger motor vehicles; printing and binding; and purchase of arms and ammunition; $1,715,000: *Provided,* That of the amount herein appropriated not to exceed $15,000 may be expended, with the approval of the Chief

of the Secret Service, for the purpose of securing information concerning violations of the laws relating to the Treasury Department and for services or information looking toward the apprehension of criminals.

Salaries and expenses, White House Police: For salaries and expenses, including uniforms and equipment, purchase and repair of revolvers, and the purchase and issue of ammunition and miscellaneous supplies, to be purchased in such manner as the President may determine, $370,000.

Salaries and expenses, guard force, Treasury buildings: For expenses of the guard force for Treasury Department buildings in the District of Columbia, including the Bureau of Engraving and Printing, and elsewhere, including purchase, repair, and cleaning of uniforms, purchase of two passenger motor vehicles for replacement only, and the purchase of arms and ammunition and miscellaneous equipment, $645,000: *Provided*, That not to exceed $168,925 of the appropriation "Salaries and expenses, Bureau of Engraving and Printing", may be transferred to this appropriation to cover service rendered such Bureau in connection with the protection of currency, bonds, stamps, and other papers of value the cost of producing which is not covered and embraced in the direct appropriations for such Bureau: *Provided further*, That the Secretary of the Treasury may detail two agents of the Secret Service to supervise such force.

Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces: For reimbursement to the District of Columbia on a monthly basis for benefit payments made from the revenues of the District of Columbia to members of the White House Police force and such members of the United States Secret Service Division as are entitled thereto under the Act of October 14, 1940 (54 Stat. 1118), to the extent that such benefit payments are in excess of the salary deductions of such members credited to said revenues of the District of Columbia during the fiscal year 1949, pursuant to section 12 of the Act of September 1, 1916 (39 Stat. 718), as amended, $84,600.

BUREAU OF THE MINT

Salaries and expenses: For necessary expenses at the mints at Philadelphia, Pennsylvania, San Francisco, California, and Denver, Colorado; the assay offices at New York, New York, and Seattle, Washington; the bullion depositories at Fort Knox, Kentucky, and West Point, New York; the Office of the Director of the Mint; and for carrying out the provisions of the Gold Reserve Act of 1934 and the Silver Purchase Act of 1934, including personal services in the District of Columbia, printing and binding, new machinery and repairs, arms and ammunition, purchase and maintenance of uniforms and accessories for guards, protective devices, and their maintenance, training of employees in use of

firearms and protective devices, cases and enameling for medals manufactured, net wastage in melting and refining and in coining departments, loss on sales of sweeps arising from the treatment of bullion and the manufacture of coins, not to exceed $1,000 for the expenses of the annual assay commission, and not exceeding $1,000 for the acquisition, at the dollar face amount or otherwise, of specimen and rare coins, including United States and foreign gold coins and pieces of gold used as, or in lieu of, money, and ores, for addition to the Government's collection of such coins, pieces, and ores; $4,500,000.

Transportation of bullion and coin: For transportation of bullion and coin, between mints, assay offices, and bullion depositories, $5,000, including compensation of temporary employees and other necessary expenses.

BUREAU OF FEDERAL SUPPLY

Salaries and expenses: For necessary expenses, including personal services in the District of Columbia and in the field service, office supplies and materials, stationery, fuel, light, electric current, and other expenses for carrying into effect regulations governing the procurement, warehousing, and distribution by the Bureau of Federal Supply of the Treasury Department of property, equipment, stores, and supplies in the District of Columbia and in the field,

$1,275,000: *Provided,* That the Secretary of the Treasury is authorized and directed to transfer to this appropriation from any appropriations or funds available to the several departments and establishments of the Government such amounts as may be approved by the Bureau of the Budget, not to exceed the sum of (a) the amount of the annual compensation of employees who may be transferred or detailed to the Bureau of Federal Supply, respectively, from any such department or establishment, where the transfer or detail of such employee is incident to a transfer of a function or functions to that Bureau and (b) such amount as the Bureau of the Budget may determine to be necessary for expenses other than personal services incident to the proper carrying out of functions so transferred: *Provided further,* That when there has been or shall be transferred from any agency of the Government to the Bureau of Federal Supply any function of warehousing, and the agency from which such function is being transferred is authorized at the time of such transfer to perform functions of procurement, warehousing, or distribution of property, equipment, stores, or supplies for non-Federal agencies the Bureau of Federal Supply is authorized to continue the performance of such functions for such non-Federal agencies where such functions are to be discontinued by the agency from which the warehousing function has been transferred, and the

receipts, including surcharge, for all issues to and all advances by all non-Federal agencies shall be credited to the general supply fund: *Provided further*, That payments to the general supply fund for materials, and supplies (including fuel), and services, and overhead expenses for all issues shall be made on the books of the Treasury Department by transfer and counterwarrants prepared by the Bureau of Federal Supply of the Treasury Department and countersigned by the Comptroller General, such warrants to be based solely on itemized invoices prepared by the Bureau of Federal Supply at issue prices to be fixed by the Director of Federal Supply: *Provided further*, That payments covering transactions between the Bureau of Federal Supply and field offices of other Government agencies whose detailed appropriation or fund accounts are maintained elsewhere than within the District of Columbia, may be made on the basis of itemized vouchers or invoices prepared by the Bureau of Federal Supply and sent through the appropriate field offices to the disbursing officers for the agencies involved, who are hereby authorized to make payment based (1) upon certification of the Bureau of Federal Supply, which shall include the specific statement that the vouchers are issued pursuant to and in conformity with purchase orders or requisitions duly executed by the agency billed, and (2) upon approval and certification of such vouchers by the agency billed, which

action shall be based upon acceptance of the Bureau of Federal Supply certification as made, subject to later adjustment if necessary, the responsibility of the certifying officer to be limited to the availability of the funds to be charged: *Provided further,* That the general supply fund may be used to purchase from or through the Public Printer standard forms and blank-book work for field warehouse stocking and issue, but issues thereof shall be made only to Government agencies and shall be chargeable to applicable appropriation authorizations or limitations of such agencies for printing and binding, and reports of such issues shall be made as the Public Printer may require: *Provided further,* That advances received pursuant to law (31 U. S. C. 686) from departments and establishments of the United States Government and the government of the District of Columbia during the fiscal year 1949 shall be credited to the general supply fund: *Provided further,* That per diem employees engaged in work in connection with operations of the fuel yards may be paid rates of pay approved by the Secretary of the Treasury not exceeding current rates for similar services in the District of Columbia: *Provided further,* That the term "fuel" shall be held to include "fuel oil": *Provided further,* That the reconditioning and repair of surplus property and equipment for disposition or reissue to Government service, may be made at cost by the Bureau of

Federal Supply, payment therefor to be effected by charging the proper appropriation and crediting the general supply fund.

Repairs to typewriting machines (except bookkeeping and billing machines) in the Government service in the District of Columbia and areas adjacent thereto may be made at cost by the Bureau of Federal Supply, payment therefor to be effected by charging the proper appropriation and crediting the general supply fund.

No part of any money appropriated by this or any other Act shall be used during the fiscal year 1949 for the purchase, within the continental limits of the United States, of any typewriting machines (except bookkeeping and billing machines).

Each agency in the executive branch of the Government (which shall include all departments, independent establishments, and wholly owned Government corporations) is authorized and directed (1) to report within thirty days after the enactment of this Act, or by July 1, 1948, whichever is the later, to the Director of the Bureau of Federal Supply the total number of typewriting machines in the possession or custody of such agency and the number thereof surplus to its requirements, and (2) to surrender and ship such surplus typewriting machines as the Director of the Bureau of Federal Supply may direct. Costs of packing and shipping hereunder shall be charged to the general supply

fund. Each agency shall furnish the Director of the Bureau of Federal Supply such information regarding typewriting machines as he may from time to time request. The Bureau of Federal Supply is authorized and directed to receive and hold all typewriting machines surrendered to it hereunder and to distribute same to any of such agencies as the Director of the Bureau of Federal Supply may determine.

The Director of the Bureau of Federal Supply is authorized and directed at such times as he may determine to be necessary to survey and determine the number and kinds of typewriters which are at any time surplus to the requirements of any agency. Upon such determination the Director of the Bureau of Federal Supply is authorized to direct, upon such notice and in such manner as he may prescribe, the head of any agency to surrender to the Bureau of Federal Supply any and all typewriting machines, surplus to its requirements, and such determination and direction by the Director of the Bureau of Federal Supply shall be final and conclusive upon all agencies, officers, and employees of the executive branch of the Government of the United States.

The Director of the Bureau of Federal Supply is authorized to charge each agency to which typewriting machines are supplied hereunder amounts equal to the fair value thereof, as determined by him, and such amounts shall be credited to the general supply fund.

Printing and binding: For printing and binding for the Bureau of Federal Supply, including printed forms and miscellaneous items for general use of the Treasury Department, the cost of transportation to field offices of printed and bound material and the cost of necessary packing boxes and packing materials, $150,000, together with not to exceed $30,000 to be transferred from the general supply fund, Treasury Department.

Net renegotiation rebates: For necessary expenses, including personal services in the District of Columbia, in connection with the processing and determination of net renegotiation rebates under section 403 (a) (4) (D) of the Renegotiation Act, $125,000.

No part of any appropriation or authorization in this Act shall be used to pay any part of the salary or expenses of any person whose salary or expenses are prohibited from being paid from any appropriation or authorization in any other Act.

This title may be cited as the "Treasury Department Appropriation Act, 1949".

TITLE II—POST OFFICE DEPARTMENT

The following sums are appropriated in conformity with 5 United States Code 361, 380; 39 United States Code 786, for the Post Office Department for the fiscal year ending June 30, 1949, namely:

POST OFFICE DEPARTMENT, WASHINGTON, DISTRICT OF COLUMBIA

OFFICE OF THE POSTMASTER GENERAL

Salaries: For the Postmaster General and other personal services in the office of the Postmaster General in the District of Columbia, including a health service program as authorized by law (5 U. S. C. 150), $395,000.

SALARIES IN BUREAUS AND OFFICES

For personal services in the District of Columbia in bureaus and offices of the Post Office Department in not to exceed the following amounts, respectively:

Office of Budget and Administrative Planning, $65,000.

Office of the First Assistant Postmaster General, $1,162,500.

Office of the Second Assistant Postmaster General, $928,000.

Office of the Third Assistant Postmaster General, $1,350,000.

Office of the Fourth Assistant Postmaster General, $752,000.

Office of the Solicitor for the Post Office Department, $250,000.

Office of the Chief Inspector, $405,000.

Office of the Purchasing Agent, $85,000.

Bureau of Accounts, $485,000.

CONTINGENT EXPENSES, POST OFFICE DEPARTMENT

For necessary, contingent and miscellaneous expenses not otherwise provided for; purchase and exchange of lawbooks and books of reference; newspapers; and travel expenses of the purchasing agent and of the solicitor and personnel connected with his office, not exceeding $2,100; $160,000.

For printing and binding for the Post Office Department and Postal Service, $2,000,000.

Appropriations hereinafter made for the field service of the Post Office Department, except as otherwise provided, shall not be expended for any of the purposes hereinbefore provided for on account of the Post Office Department in the District of Columbia: *Provided*, That necessary expenses of officials and employees of the Post Office Department and Postal Service, when traveling on official business, may be paid from the appropriations for the service in connection with which the travel is performed: *Provided further*, That appropriations hereinafter made, except such as are exclusively for payment of compensation, shall be available for expenses in connection with the examination of estimates for appropriations in the field including per diem allowances in lieu of actual expenses of subsistence: *And provided further*, That the appropriations for the Post Office Department and the Postal Service shall be available for expenditures in connec-

tion with accident prevention, but no appropriation made for the field service shall be expended on account of the Post Office Department in the District of Columbia.

FIELD SERVICE, POST OFFICE DEPARTMENT

OFFICE OF THE POSTMASTER GENERAL

Travel and miscellaneous expenses: For travel and miscellaneous expenses in the Postal Service, offices of the Postmaster General and Assistant Postmasters General, $3,000.

Damage claims: For the payment of claims for damages to persons or property occurring in the fiscal year 1949, or in prior fiscal years, pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921), and in accordance with the provisions of the Deficiency Appropriation Act, approved June 16, 1921 (5 U. S. C. 392), as amended by the Act approved June 22, 1934 (31 U. S. C. 224c), $175,000.

Adjusted losses and contingencies: To pay to postmasters, navy mail clerks, and assistant navy mail clerks, coast guard mail clerks, assistant coast guard mail clerks, army mail clerks, and assistant army mail clerks, or credit them with the amount ascertained to have been lost or destroyed during the fiscal year 1949, or prior fiscal years, through unavoidable casualty resulting from no fault or negligence on their part, as authorized by the

Act approved March 17, 1882, as amended by the Act approved December 7, 1945 (39 U. S. C. 49), $75,000.

OFFICE OF THE CHIEF INSPECTOR

Salaries of inspectors: For salaries of fifteen inspectors in charge of divisions and eight hundred inspectors, $4,350,000.

Travel and miscellaneous expenses: For necessary travel and miscellaneous expenses incurred in the operation of the post office inspection service, not to exceed $27,600 for chemical and other investigations, and not to exceed $500 for books of reference, $958,000.

Clerks: For compensation of not exceeding three hundred and eighty-nine clerks in the post office inspection service, $1,178,000.

Rewards: For payment of rewards for the detection, arrest, and conviction of post office burglars, robbers, highway mail robbers, and persons mailing or causing to be mailed any bomb, infernal machine, or mechanical, chemical, or other device or composition which may ignite, or explode, fiscal year 1949 and prior years, $55,000: *Provided*, That rewards may be paid in the discretion of the Postmaster General, when an offender of the classes mentioned was killed in the act of committing the crime or in resisting lawful arrest: *Provided further*, That no part of this sum shall be used to pay any rewards at rates in excess of those specified in Post Office Department Order 28673, dated July 28, 1945: *Provided*

further, That of the amount herein appropriated not to exceed $20,000 may be expended in the discretion of the Postmaster General, for the purpose of securing information concerning violations of the postal laws and for services and information looking toward the apprehension of criminals.

OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

Compensation to postmasters: For compensation to postmasters, including compensation as postmaster to persons who, pending the designation of an acting postmaster, assume and perform the duties of postmaster in the event of a vacancy in the office of postmaster of the third or fourth class, and to persons who perform the duties for postmasters of the fourth class absent on sick or annual leave or leave without pay, and for allowances for rent, light, fuel, and equipment to postmasters of the fourth class, $87,900,000.

Compensation to assistant postmasters: For compensation to assistant postmasters at first- and second-class post offices, $12,500,000.

Clerks, first- and second-class post offices: For compensation to clerks and employees at first- and second-class post offices, including auxiliary clerk hire at summer and winter post offices, printers, mechanics, skilled laborers, watchmen, messengers, mail handlers, and substitutes, and the maintenance of health service program as authorized by law (5 U. S. C. 150), $530,000,000.

Contract station service: For contract station service, $3,500,000.

Separating mails: For separating mails at fourth-class post offices, $180,000.

Unusual conditions: For unusual conditions at post offices, $25,000.

Clerks, third-class post offices: For compensation to clerks at third-class post offices, $25,500,000.

Miscellaneous items, first- and second-class post offices: For expenses necessary for the operation and protection of post offices of the first and second classes, and the business conducted in connection therewith, not provided for in other appropriations, $3,850,000.

Village delivery service: For village delivery service in towns and villages having post offices of the second or third class, and in communities adjacent to cities having city delivery, $300,000.

Detroit River service: For Detroit River postal service $12,750.

Carfare and bicycle allowance: For carfare and bicycle allowance, including special delivery carfare, cost of transporting carriers by privately owned automobiles to and from their routes, at rates not exceeding regular streetcar or bus fare, and purchase, maintenance, and exchange of bicycles, $2,800,000.

City delivery carriers: For pay of letter carriers, city delivery service, and United States official mail and messenger service, $326,000,000.

Special delivery service: For compensation and fees to special delivery messengers, $16,000,000.

Rural delivery service: For pay for rural carriers, auxiliary carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, tolls and ferriage, and necessary expenses of the rural delivery service, $135,719,000, of which not less than $200,000 shall be available for extensions and new service.

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Star route service: For inland transportation by star routes, including temporary service to newly established offices, $25,501,000.

Powerboat service: For inland transportation by steamboat or other powerboat routes, including ship, steamboat, and way letters, $2,133,000.

Railroad transportation and mail messenger service: For inland transportation by railroad routes and for mail messenger service, $165,881,000: *Provided,* That separate accounts be kept of the amount expended for mail messenger service.

Railway mail service, salaries: For fifteen general superintendents, fifteen assistant general superintendents, two

assistant general superintendents at large, one hundred and twenty district superintendents, one hundred and twenty assistant district superintendents, and other employees in the railway mail service, $109,188,000.

Railway mail service, travel allowance: For travel allowance to railway postal clerks and substitute railway postal clerks, $5,237,000.

Railway mail service, travel expenses: For travel expenses of departmental officials and supervisory employees of the railway mail service, and railway postal clerks, $66,000.

Railway mail service, miscellaneous expenses: For necessary expenses of the railway mail service not provided for in other appropriations, $490,000.

Electric car service: For electric car service, $220,000.

Foreign mail transportation: For transportation of foreign mails, except by aircraft, $23,842,000, including not to exceed $79,200 to cover the cost to the United States for maintaining sea post service on ocean steamships conveying mails to and from the United States: *Provided,* That not to exceed $12,500 is hereby made available for expenses of delegates designated from the Post Office Department by the Postmaster General to the Sixth Congress of the Postal Union of the Americas and Spain, The Executive and Liaison Commission and the Transit Com-

mission of the Universal Postal Union, and the conference on revision of the 1929 "Prisoners of War" Convention, to be expended in the discretion of the Postmaster General and accounted for on his certificate, which certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended, which amount shall be available until December 31, 1949.

Balances due foreign countries: For balances due foreign countries, fiscal year 1949 and prior years, $3,000,000: *Provided,* That there shall be established immediately, by transfer of $5,000,000 from the appropriation for "Balances due foreign countries" for the fiscal year 1948, a revolving fund which shall be available without fiscal year limitation for advances to air carriers for the transportation of air mail from foreign countries to the United States as authorized by section 2 of the Act of July 27, 1940 (49 U. S. C. 485b), and payments hereafter received from foreign countries on account of air carriers for the transportation of air mail from foreign countries to the United States shall be credited to such fund.

Indemnities, international mail: For payment of limited indemnity for the injury or loss of international mail in accordance with convention, treaty, or agreement stipulations, fiscal year 1949 and prior years, $15,000.

Foreign air mail service: For transportation of foreign mails by aircraft, as authorized by law, $19,500,000.

Domestic air mail service: For expenses necessary for the inland transportation of mail by aircraft, as authorized by law, including not to exceed $176,000 for supervisory officials and clerks at field headquaters, $32,000,000.

OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

Stamps and stamped paper: For manufacture and distribution of stamps and stamped paper, and not to exceed $30,000 for compensation to employees and other necessary expenses of the United States Stamped Envelope Agency, $9,335,000.

Indemnities, domestic mail: For payment of indemnity for the injury or loss of domestic registered, insured, and collect-on-delivery mail, and for failure to remit collect-on-delivery charges, fiscal year 1949 and prior years, $3,775,000.

Unpaid money orders: For payment of domestic money orders after one year from the last day of the month of issue of such orders, $900,000.

OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

Miscellaneous supplies and equipment: For the purchase, manufacture, repair, and installation of necessary miscellaneous equipment and supplies for the Postal Service not

provided for in other appropriations; for the purchase of atlases and geographical and technical works not to exceed $1,500; and not exceeding $191,400 for personal services, including salaries of fourteen traveling mechanicians; for rental of canceling machines and motors, mechanical mail-handling apparatus, and other labor-saving devices; and for travel expenses; $7,158,000, of which $400,000 shall be available exclusively for the purchase of modern mechanical postal devices, and of which $100,000 shall be available exclusively for mechanizing devices for separation of mails: *Provided,* That the Postmaster General may authorize the sale to the public of post-route maps and rural-delivery maps or blueprints at the cost of printing and 10 per centum thereof added.

Equipment shops: For the purchase, manufacture, and repair of mail bags and other equipment for the postal service not provided for in other appropriations; necessary expenses for the operation, maintenance, and protection of the mail equipment shops building, grounds, and equipment, and a health service program as authorized by law (5 U. S. C. 150); $12,800,000, of which not to exceed $1,255,000 may be expended for personal services in the District of Columbia and not exceeding $15,000 for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipments as

may be required by other executive departments; and for services in Alaska, Puerto Rico, Hawaii, or other island possessions.

Rent, fuel, and utility services: For rent, light, power, fuel, and water, for first-, second-, and third-class post offices, and the cost of advertising for lease proposals for such offices, $14,500,000.

Pneumatic tube service: For rental of not exceeding twenty-eight miles of pneumatic tubes, hire of labor, communication service, electric power, and other expenses for transmission of mail in the city of New York including the Borough of Brooklyn; and for rental of not exceeding two miles of pneumatic tubes, not including labor and power in operating the same, for the transmission of mail in the city of Boston, Massachusetts; $740,000: *Provided*, That the Acts of April 21, 1902, May 27, 1908, and June 19, 1922 (39 U. S. C. 423), relating to contracts for the transmission of mail by pneumatic tubes or other similar devices shall not be applicable to the city of New York, and the provisions not inconsistent herewith of the Acts of April 21, 1902, and May 27, 1908 (39 U. S. C. 423), shall be applicable to the city of Boston.

Vehicle service: For the hire, purchase, maintenance, repair, and operation of vehicles for use in the collection, transportation, delivery, and supervision of the mail, includ-

ing the repair of vehicles owned by, or under the control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the Postal Service; the rental of garage facilities; lease of quarters not exceeding a term of ten years for the housing of Government-owned motor vehicles, and including compensation to necessary employees in the motor vehicle service, $42,000,000, of which $4,400,000 shall be available exclusively for the purchase of trucks: *Provided,* That the Postmaster General may purchase and maintain from this appropriation such tractors and trailer trucks as may be required in the operation of the vehicle service: *Provided further,* That no part of this appropriation shall be expended for maintenance or repair of motor-propelled passenger-carrying vehicles for use in connection with the administrative work of the Post Office Department in the District of Columbia.

Transportation of equipment and supplies: For the transportation and delivery of equipment, materials, and supplies for the Post Office Department and Postal Service by freight, express, or motor transportation, and other incidental expenses, $1,000,000.

Operating force, public buildings: For compensation to employees in the custodial service, $44,600,000.

Operating supplies, public buildings: For necessary

miscellaneous articles, services and supplies, including transportation thereof, required for the operation of completed and occupied public buildings and grounds operated by the Post Office Department, $7,320,000, which shall not be available for personal services except for work done by contract, or for temporary job labor under exigency not exceeding at one time the sum of $250 at any one building: *Provided*, That the Postmaster General is authorized to contract for telephone service in public buildings under his administration by means of telephone switchboards or equivalent telephone switching equipment jointly serving in each case two or more governmental activities, where he determines that joint service is economical and in the interest of the Government, and to secure reimbursement for the cost of such joint service from available appropriations for telephone expenses of the bureaus and offices receiving the same.

Equipment, public buildings: For the procurement, including transportation, of furniture, carpets, safes, safe and vault protective devices, and repairs of same, for use in public buildings which are now, or may hereafter be, operated by the Post Office Department, $950,000: *Provided*, That excepting expenditures for labor for or incidental to the moving of equipment from or into public buildings, the foregoing appropriation shall not be used for personal services except for work done under contract or for temporary job

labor under exigency and not exceeding at one time the sum of $100 at any one building: *Provided further,* That all furniture now owned by the United States in other public buildings or in buildings rented by the United States shall be used, so far as practicable, whether or not it corresponds with the present regulation plan of furniture.

Deficiency in postal revenues: If the revenues of the Post Office Department shall be insufficient to meet the appropriations made under title II of this Act, a sum equal to such deficiency in the revenues of such Department is hereby appropriated, to be paid out of any money in the Treasury not otherwise appropriated, to supply such deficiency in the revenues of the Post Office Department for the fiscal year ending June 30, 1949, and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General.

During the fiscal year 1949, the Postmaster General shall make quarterly reports to the Senate and House Committees on Appropriations, showing for each quarter the amount paid from each appropriation for overtime, the number of employees receiving such overtime, and the number of hours of overtime worked by such employees, together with a statement as to the necessity for such overtime work.

This title may be cited as the "Post Office Department Appropriation Act, 1949".

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force

or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 302. This Act may be cited as the "Treasury and Post Office Departments Appropriation Act, 1949".

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Union Calendar No. 714

80TH CONGRESS
2D SESSION

H. R. 5770

[Report No. 1532]

A BILL

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes.

By Mr. CANFIELD

MARCH 9, 1948

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

DIGEST OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued March 12, 1948
For actions of March 11, 1948
80th-2nd, No. 46

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HIGHLIGHTS: Senate debated ERP bill; includes lists of persons (including those in USDA) who participated in preparation of ERP. House passed Treasury-Post Office appropriation bill; agreed to amendment to permit purchase of technical nonstandard typewriters. Rep. Halleck said agricultural appropriation bill to be debated Mar. 17, 18, and 19. House received $55 million supplemental estimate for foreign aid. Rep. Cannon introduced measure to authorize Appropriations Committee to determine fitness of Government personnel.

SENATE

1. EUROPEAN RECOVERY PROGRAM. Continued debate on S. 2202, the ERP bill (pp. 2603-35). Agreed to the following amendments:
   By Sen. Ball (for himself and Sen. Wherry), to provide for specific projects, to be submitted by participating countries and approved by the Administrator (p. 2622).
   By Sen. Vandenberg, to provide that the U. S. Special Representative in Europe shall be subject to the Administrator's directions (p. 2628).
   By Sen. Cooper, to require the Administrator and the Secretary of State to confer and keep each other informed, etc. (p. 2632).
   By Sen. Brewster, to provide for encouraging travel to participating countries (pp. 2633-4).
   Rejected the following amendments:
   By Sen. Ball (for himself and Sen. Wherry), to separate relief projects from recovery projects and to channel the funds into specific projects approved by the Administrator (pp. 2620-2).
   By Sen. Brooks (for himself and others), to take Ambassadorial status away from the Special Representative in Europe; by a 25-52 vote (pp. 2623-8).
   By Sen. Brooks (for himself and others), to set aside 3% of funds to pay transportation costs of private American relief packages to participating countries; by a 34-38 vote (pp. 2629-32).
   Sen. Wilson inserted a list of U. S. personnel (including those from USDA) who participated in preparing the ERP (pp. 2614-17). Sen. Capehart discussed his amendment to turn the program over to RFC for administration on a "private enterprise" basis (pp. 2603-14). Sen. Taft has an amendment to reduce the first year's authorization to $4 billion.

It is expected that the bill will be voted upon by the end of this week.

2. TAX REDUCTION. The Finance Committee approved, but did not actually report, H. R. 4790, the income-tax reduction bill, with amendments (p. D226).

3. INDEPENDENT OFFICES APPROPRIATION BILL. The subcommittee concluded marking up this bill, H. R. 5214, and is to present it to the full committee this p. m. The "Daily Digest" states that the subcommittee made the following changes, among others: Eliminated the $700,000 emergency fund for the President; reduced Budget Bureau $200,000; and increased Council of Economic Advisers by $50,000 (p. D226).

4. ANNUAL LEAVE. The Post Office and Civil Service Committee approved, but did not actually report, S. 1989, limiting lump-sum payment provisions for accrued annual leave, in transferring to agencies operating under different systems, to cases subsequent to approval of the act of Mar. 14, 1936 (p. D227).

HOUSE

5. TREASURY-POST OFFICE APPROPRIATION BILL, 1949. Passed with amendments this bill, H.R. 5770 (pp. 2639-81).

Agreed to Rep. Canfield's (N.J.) amendment to permit Veterans' Administration to purchase typewriters for disabled veterans, and Rep. Miller's (Conn.) amendment to permit purchase of technical nonstandard typewriters, as may be needed by agencies (p. 2681). Rep. Canfield discussed typewriter purchases (p. 2654).

During the debate Rep. Robertson, N.Dak., in discussing operations of the Federal Bureau of Supply, stated "that this is one of the affairs of the United States Government that has gotton clearly out of control of the Congress" (pp. 2675-6); Rep. Canfield, N.J., inserted the Appropriations Committee report on the bill (pp. 2639-50); and Rep. Hinshaw, Calif., inserted and discussed analytical statements and tables on "Federal Budget Expenditures, 1900-1948" (pp. 2662-6). Rep. Taber criticized executive branch "propaganda" on appropriations (pp. 2679-80).

6. FOREIGN AID. Received from the President a supplemental appropriation estimate of $55,000,000 for additional aid under the Foreign Aid Act of 1947 (H. Doc. 565) (p. 2688).

7. TRANSPORTATION. The Merchant Marine and Fisheries Committee reported without amendment S. J. Res. 172 and H. J. Res. 338, to authorize vessels of Canadian registry to transport iron ore between U.S. ports on the Great Lakes from Mar. 15 to Dec. 15, 1948 (H. Repts. 1556 and 1557, respectively) (p. 2688).

8. LEGISLATIVE PROGRAM. Majority Leader Halleck announced the following program for the week of Mar. 15: Mon., H.R. 5470, removal of price criteria as a factor in export licensing, and S. 2182, the rent-control bill; Tues., Private Calendar; Wed., Thurs., & Fri., agricultural appropriation bill (p. 2639).

9. EXPENDITURES. Rep. Smith, Ohio, criticized increases in appropriations over previous years (pp. 2681-2).

10. HOUSING. Passed without amendment H. Con. Res. 155, extending the Joint Committee on Housing until June 30, 1948 (pp. 2637-8).

11. ROADS. The "Daily Digest" states that the Public Works subcommittee on Roads "voted to report to the full committee...a new bill in lieu of H.R. 4867 and H.R. 4868, to continue the Federal Aid Highway Act of 1944" (p. D229).

12. ADJOURNED until Mon., Mar. 15 (p. 2688).

ment with respect thereto as provided in section 2.

SEC. 10. No member or employee of a committee shall, for compensation, speak, lecture, or write about the committee, its purposes, procedures, accomplishments, or reports during the existence of the committee and while he is a member of the committee or in its employ.

SEC. 11. As used in this concurrent resolution, the term "committee" includes a standing or select committee of either House of Congress, a joint committee of the two Houses, and a duly authorized subcommittee of any of the foregoing.

The only additional provision that it should contain and which I will introduce in a separate resolution is that whenever a motion is made to delete a Member's remarks that he be accorded the privilege of recognition and equal time to answer any statement made in support of the motion. Then a Member will not be deprived of the opportunity to justify his attacked remarks or insertions made under leave to extend. This resolution will preclude in the future any Member or publicity man or clerk of any committee giving out interviews or issuing derogatory statements attacking any organization or any member unless he first has been authorized to do so by the committee of which he is a member or an employee.

I hope you gentlemen, in the interest of orderly parliamentary procedure, will read this resolution that was introduced by the senior Senator from Illinois February 25, which, if in force yesterday, would not have denied me the opportunity of answering the gentleman from Mississippi [Mr. RANKIN] before a vote was taken. He could not have been in position, as he was under the present rules of the House, to move the previous question when he had completed his remarks and thereby denying me the right of explanation. I am satisfied, as I said yesterday, that if I had obtained the privilege of reply, his motion to expunge would not have prevailed.

Under the leave granted me, I have included the resolution in my remarks and shall not take up the time of the House in explaining the effect of its provisions, but I do hope that every Member will give it careful study and consideration.

The SPEAKER. The time of the gentleman from Illinois [Mr. SABATH] has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to announce the program for next week because many Members have inquired about it in order that they may arrange their affairs accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. HALLECK]?

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I would like to announce that if the appropriation bill that is coming up for consideration today is finished today it is my plan to adjourn over until Monday next.

On next Monday there will be the call of the Consent Calendar.

We also hope to call up H. R. 5470, which has to do with price criteria and export licenses; and also if a rule is granted, to call up S. 2182, the extension of rent control.

On Tuesday there will be a call of the Private Calendar and then we will proceed to the completion of the measures scheduled for first consideration on Monday.

On Wednesday there will be general debate on the Department of Agriculture appropriation bill. I have discussed the matter with the chairman of the subcommittee who has that bill in charge and he anticipates that general debate will continue all through that day. We will then proceed with the consideration of the Department of Agriculture appropriation bill on Thursday and Friday, it being expected that the bill can be completed at least by next Friday.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. McCORMACK. In connection with Monday and the consideration of the rent-control bill, assuming the debate is concluded and there is a roll call, would the gentleman agree that the roll call might be taken on Tuesday?

Mr. HALLECK. Yes. I will be very happy to have that understanding, that if we did get along with the rent-conrol bill to the point where a vote might be reached on Monday, we would take the vote on Tuesday. Of course, as the gentleman knows, we are operating against something of a deadline in connection with that matter and want to expedite its consideration as much as we can.

Mr. McCORMACK. I thoroughly appreciate that fact, but assuming it was completed, the vote on final passage may go over until Tuesday?

Mr. HALLECK. Yes. That can go over until Tuesday.

Mr. McCORMACK. While my friend has stated it to my satisfaction, that Wednesday will be devoted to general debate; I would just like to confirm that.

Mr. HALLECK. Yes. I might make this amendment to that statement: Should general debate be concluded, the reading of the bill started and some Members wanted to make 5-minute speeches, I can see no reason why that should not be done.

Mr. McCORMACK. I agree with that.

Mr. HALLECK. It will be understood, however, that the matter of voting on important parts of the Agricultural appropriation bill will not begin until Thursday.

COMMITTEE ON BANKING AND CURRENCY

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during the session of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency have until midnight tonight to file a report on the bill S. 2182, the rent-control bill; and that the Rules Committee have until midnight Saturday to file a report in connection therewith.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. SABATH asked and was given permission to extend his remarks in the Appendix of the RECORD and include a short resolution.

Mr. SPENCE asked and was given permission to extend his remarks in the RECORD and include an article.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the Appendix of the RECORD in five separate instances and in each to include extraneous matter.

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent that in connection with the remarks I shall make in the Committee of the Whole this afternoon on the Treasury-Post Office appropriation bill that I may include the report of the Appropriations Committee on that bill and certain documents and other memoranda.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

TREASURY-POST OFFICE APPROPRIATION BILL, 1949

Mr. CANFIELD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes; and pending that I ask unanimous consent that time for general debate be equally divided between the gentleman from Virginia [Mr. GARY] and the chairman.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5770, the Treasury-Post Office appropriation bill, 1949, with Mr. GRAHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANFIELD. Mr. Chairman, I desire first to present the report of the House Committee on Appropriations on the bill, as follows:

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1949

Mr. CANFIELD, from the Committee on Appropriations, submitted the following report:

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949.

With the exceptions subsequently specified, the bill includes regular annual appropriations for these Departments, the estimates for which are found: For the Treasury Department, on pages 849 to 894, inclusive, of the Budget; and for the Post Office Department, on pages 791 to 813, inclusive, of the Budget.

Appropriations for Bureau of Customs, Coast Guard, acquisition of strategic and critical materials, and refunding internal-revenue collections have not been included in the bill, but will be presented to the House later.

Detailed management surveys of the customs service and the Coast Guard, authorized in the Treasury-Post Office Appropriation Act, 1948, were made on a contract basis by commercial firms during the latter part of the calendar year 1947. Reports thereon were received in January 1948. In order that management and budgetary improvements pointed out in these reports can be analyzed and initiated, time must be afforded during which the recommendations made can receive thorough study by Treasury officials and the committee. The Secretary of the Treasury should insure that his officials spare no effort immediately to initiate concrete action on all recommendations made in these management surveys and be able to demonstrate specific improvements in efficiency and reductions in costs by the time hearings are held on the 1949 budgets for these two agencies.

The appropriation for strategic and critical materials has been deferred pending determinations relating to their procurement in conjunction with the European recovery program and further study by the committee. The appropriation for internal-revenue refunds requires further consideration by the committee.

In comparing estimates and amounts recommended in the bill for 1949 with appropriations for 1948, it should be noted that certain supplemental estimates for 1948 have been received by the committee. Authority was granted by the Second Supplemental Appropriation Act, 1948, for the Post Office Department to draw heavily against certain of its funds in the first part of the current year in the event of increased mail volume. Postal revenues, which are indicative of mail volume, for the first two quarters of the current year were the largest in history, necessitating supplemental appropriations for fiscal year 1948. Unforseen demands for currency have occasioned supplemental estimates for the Treasury Department, and claims certified by the General Accounting Office for payment have exceeded original estimates for 1948.

For convenient reference, comparative figures for the items contained in the accompanying bill are as follows:

	Treasury Department	Post Office Department	Total
Appropriations, 1948	$313,678,400	$1,605,933,550	$1,919,611,950
Pending supplemental estimates, 1948	2,721,700	141,318,800	144,040,500
Total, 1948	316,400,100	1,747,242,350	2,063,562,450
Estimates, 1949	306,981,700	1,710,644,500	2,017,626,200
Bill, 1949	290,453,100	1,691,269,250	1,981,722,350
Bill compared with 1948 appropriations plus supplemental estimates	−25,947,000	−55,973,100	−81,930,100
Bill compared with 1949 estimates	−16,528,600	−19,375,250	−35,903,850

TITLE I—TREASURY DEPARTMENT

Direct appropriations carried in the accompanying bill for the Treasury Department total $290,453,100. Budget estimates covering items for which the foregoing amount is recommended total $306,981,700, and appropriations for the regular operations of those Bureaus and agencies of the Treasury Department in 1948 for which provision is made in the accompanying bill amounted to $313,678,400. Budget estimates for 1949 are thus $6,696,700 less than funds provided for these activities for 1948, and the committee has made reductions below the budget estimates by $16,528,600.

Permanent appropriations: The Treasury Department, in addition to the regular activities appropriated for in the accompanying bill, administers certain permanent appropriations such as interest on the public debt, statutory public-debt retirements, and others, for which the estimated obligations in 1949 aggregate $5,877,868,083. This amount is less than the total of $6,021,281,560 for 1948 by $143,413,477. While interest on the public debt in 1949 is estimated at $5,250,000,000, exceeding the 1948 amount by $50,000,000, the amount for statutory debt retirement in 1949 is $193,700,000 less than the 1948 amount. The increase in interest on the public debt is attributable, according to the Secretary of the Treasury, to a rise in the average rate of interest paid, and not to an increase in total debt. The decrease in statutory debt retirement in 1949 is due to the nonrecurring application of the surplus of the War Damage Corporation to reduction of the public debt.

Trust funds: The Treasury Department also administers trust funds, such as the Federal old-age and survivors insurance trust fund, the unemployment trust fund, and others. Total obligations of these funds in 1949 are estimated at $3,313,584,430, an increase of $89,800,000 over the 1948 amount of $3,223,762,500.

The tabular statement at the end of the report provides an itemization of all of the foregoing.

Departmental offices

Appropriation, 1948	$16,867,000
Estimate, 1949	11,936,400
Recommended in bill, 1949	10,095,000

Organizationally under the immediate Office of the Secretary of the Treasury as administrative or service offices are the Chief Clerk, Superintendent of Treasury Buildings, and Division of Personnel, and as technical units the Office of the General Counsel and Division of Tax Research.

The Budget proposed an appropriation for the office of the Chief Clerk, which the Department supported by written justifications. The committee was surprised to learn from the testimony given on this item that a new Office of Administrative Services, which "takes the place of the Chief Clerk's office and contains the Division of Treasury Buildings," was created by administrative order more than 3 months before the budget was presented to the Congress. Although not appreciative of being belatedly advised of budgetary changes, the committee believes that a consolidation of the "housekeeping" functions of the Department is a move in the proper direction. This should be merely the first step in a major realinement of overlapping components. There is no justification for maintaining separate units such as the office of the Chief Clerk, Superintendent of Treasury Buildings, and the Division of Personnel. Also, the guard force for Treasury buildings, which was formerly under the office of the Secretary but is now under the Secret Service Division, should be considered as a departmental service organization. All of these service units should be integrated under the office of the Secretary and headed by a single administrative officer without intermediate administrative units or officers. A thorough survey of this matter should be undertaken at once by the Department, and the budget for 1950 should present a consolidation of these functions as well as the appropriations therefor. The committee expects that specific reductions in costs will accompany the consolidation.

The written justifications for the 1949 estimates of the Department were unnecessarily voluminous and not sufficiently uniform. The Secretary of the Treasury should insure that all irrelevant matter and verbiage are eliminated in the justifications for 1950, with substantial reduction in the volume of material presented. Proper care should be exercised to insure maximum clarity and uniformity in presenting all information relative to the estimates. The departmental budget officer should confer with the committee staff in this regard.

The estimate of $409,000 for salaries for the office of the Secretary has been reduced to $380,000, a decrease of $29,000, of which $20,000 should be applied against employment of public-relations personnel. There are presently 7 such employees in the office of the Secretary and 28 elsewhere in the Department, an excessive number. Only 13 messengers are currently employed in the Secretary's office, and the number authorized has been reduced from 18 to 15.

The estimate for personal or property damage claims, $50,000, is admitted by the Department to be a mere guess, and has been reduced to $30,000.

Obligations for penalty mail in 1948 are estimated in the budget at $5,900,000, leaving $800,000 of the current appropriation unused. No increase for 1949 has been justified, and the estimate has been reduced from $6,850,000 to $5,900,000, in conformity with 1948 requirements.

The appropriation for refunds under the Renegotiation Act, administered by the Secretary of the Treasury, has consistently been grossly overestimated since its inception. The estimate of $3,250,000 for 1949 has been reduced by the committee to $2,000,000, the amount presently estimated in the budget to be necessary for 1948.

Despite a reduction of personnel in the Division of Tax Research for 1949, the budget proposes no offsetting reduction in funds. The committee has reduced the estimate of $141,400 to $110,000 to compensate for the proposed smaller number of employees. This appropriation should not be utilized to pay for work performed for foreign governments unless such is authorized by law.

The Office of the General Counsel is staffed with 56 persons, of whom only 19 are attorneys. There are 477 attorneys in the entire Legal Division of the Treasury Department, the majority of whom are in the Bureau of Internal Revenue. In all, the Treasury Department estimates for 1949 include $5,500,000 for legal services, and the Office of the General Counsel is, according to the acting general counsel, largely a service organization for which no work-load statistics are maintained. The amount for this office has been reduced from $250,000 for 1948 to $226,000 for 1949. The detailed legal work is performed principally outside this office in the various bureaus, and the amount provided is adequate for the function of correlating departmental legal activities in addition to any detailed legal work required of this unit.

Funds for the Division of Personnel have been reduced from the estimate of $127,000 to $120,000, since in the past 3 years there has been a constant reduction in the total numbers of civilian personnel in the Treasury Department.

The departmental witness who sought to justify the appropriation for health-service programs for the Department was unable to advise whether absenteeism on account of

illness is reduced by these programs, and no adequate justification for the entire program was given. Notwithstanding this, the committee feels that since these programs were only recently authorized by law they should be continued with respect to the Treasury Department. The estimate of $75,000 has been reduced to $70,000, and the Department should be able to furnish adequate information and justification of the magnitude and merit of these programs in the future.

Bureau of Accounts

Appropriation, 1948	$13,655,000
Estimate, 1949	14,068,000
Recommended in bill, 1949	13,518,000

Appropriations for this Bureau include salaries and expenses for accounting for and control of appropriations made to various agencies of the Government, preparation of financial statements relating to public funds, disbursing appropriated funds and the administration of funds for payment of certain claims against the Government. Reductions totaling $550,000 have been made in the estimates, which aggregate $14,068,000, for each of the various items under this Bureau. The Bureau of Accounts is liquidating certain war agencies and is billing and collecting for lend-lease items transferred to foreign governments. Certain procuring agencies are tardy in furnishing documents for billings to foreign governments, thus delaying the process of winding up lend-lease accounts. The Secretary of the Treasury should insist upon cooperation of all procurement agencies in the prompt completion of these billings and collections. The committee feels that further delay in this respect should not be tolerated, as it might well result in loss to the Government.

The Division of Disbursement has made some progress in reducing expenses, and the committee hopes that no effort will be spared to effect further reductions.

An appropriation of $325,000 was requested for augmenting the Government losses-in-shipment fund. Although not apparent from its title, losses resulting from erroneous bond redemptions by fiscal agents of the Government are also reimbursed from this fund. Statutory authority for this appropriation is doubtful, and the committee is convinced that the $336,000 balance in the fund is adequate to meet requirements in 1949.

Bureau of the Public Debt

Appropriation, 1948	$65,913,000
Supplemental estimate, 1948	361,000
Estimate, 1949	54,513,200
Recommended in bill, 1949	52,800,000

This Bureau manages transactions in the public debt issues of the United States, matters relating to the paper currency of the United States, and contains a division for promoting the sale of savings bonds to individuals. In its report on the appropriations for the Bureau of the Public Debt for 1947, the committee found it necessary to be critical of the inadequate measure of responsibility evidenced by this Bureau regarding estimates for appropriations to be transferred to other agencies for services to be performed. Such transfers must continually be subjected to the exercise of the most careful appraisal and control. The committee now notes that transfers of funds to support activities in the office of the Secretary office of the Fiscal Assistant Secretary, and the technical staff are contemplated in 1949. Such interdepartmental transfers reflect a type of budgetary management which the committee cannot continue to sanction. Treasury Department estimates for the next fiscal year should not include provisions for financing departmental activities by transfers between appropriations, but should reflect separate appropriations for such organizational and functional units as are necessary to efficient operations.

The 1949 estimate for the appropriation "Administering the public debt" includes $4,658,100 for the Division of Savings Bonds. When this activity was justified for the fiscal year 1948, the amount of $2,889,862 was requested. The Department now plans to increase the amount to be used in 1948 to $3,564,900, obtaining the difference by utilizing funds otherwise considered as surplus. These increases are based upon a program of greatly accelerated promotional efforts to sell savings bonds. Full utilization of voluntary services will permit a reduction of the amount requested for 1949. Accordingly, the committee has reduced the estimate to $3,750,000, which is an increase over the amount to be used in 1948. Inasmuch as the Department apparently has a propensity to utilize appropriated funds in accordance with its own discretion rather than upon the basis of its budgetary justifications submitted to the Congress, the committee has provided a limit upon the amount of funds for promoting bond sales.

The estimate of $54,513,200 for administering the public debt has been reduced to $52,800,000.

Apart from the decrease noted in the amount provided for the savings-bond program, economies are possible in all other activities of this bureau.

The volume of redemptions of paper currency has greatly exceeded that estimated when the 1948 budget was submitted, and the cost of paper has increased. A supplemental appropriation for the purchase of distinctive paper for United States currency is now pending, and the committee has allowed the full amount of $1,300,000 requested in the budget for 1949.

Office of the Treasurer of the United States

Appropriation, 1948	$5,040,000
Estimate, 1949	5,040,000
Recommended in bill, 1949	4,980,000

The volume of work of this Office is dependent largely upon the number of checks drawn for Government expenditures and the number of transactions relating to public-debt operations. No important changes in volume are apparent in 1949. The majority of this appropriation is for personal services. The reduction of $20,000 against salaries and expenses can readily be absorbed in filling vacated positions at lower salaries, and the reduction of $40,000 in printing and binding is based upon the fact that the 1949 estimate is greatly in excess of the amount expended in 1947 and the rate of expenditure in the first 6 months of the current year.

Bureau of Narcotics

Appropriation, 1948	$1,434,000
Estimate, 1949	1,434,000
Recommended in bill, 1949	1,450,000

During examination of the estimates for this Bureau, interrogation of the Commissioner by the committee revealed that a modest increase in appropriations above the estimate could be utilized to station two operators abroad for investigations and preemptive operations at the sources of narcotics shipments. The Commissioner is confident that such activity will greatly aid in control and enforcement of narcotic laws in the United States. The committee heartily endorses the expenditure of this relatively small sum as sound investment in controlling illicit narcotics traffic. While $25,000 was said to be the amount necessary for this foreign activity, in view of the unobligated balance of this appropriation for 1947 and the savings thus far in 1948, two operators can be maintained abroad with the additional amount of $16,000 provided in the bill.

Bureau of Engraving and Printing

Appropriation, 1948	$12,005,000
Supplemental estimate, 1948	1,650,000
Estimate, 1949	12,830,000
Recommended in bill, 1949	12,000,000

A supplemental estimate of $1,650,000 for 1948 is for producing additional paper currency, based upon the increase in the volume of redemptions above that originally estimated for 1948. This should be a nonrecurring item, and should not be reflected in the amount required for 1949. Estimates of the work load of this Bureau are somewhat erratic. Although the estimate includes $125,000 for additional equipment, testimony of the Director was to the effect that no need therefor can be seen at the present time. The amount appropriated for 1948 is deemed to be more realistic than that estimated for 1949, and the amount provided in the bill represents a reduction of $830,000 below the 1949 estimate of $12,830,000.

Bureau of Internal Revenue

Appropriation, 1948	$188,000,000
Estimate, 1949	188,000,000
Recommended in bill, 1949	186,736,000

The estimate of $188,000,000 for 1949 has been reduced by $1,264,000 to $186,736,000. Provision has been made in the bill which separates the appropriation for personal services, for which $168,736,000 is recommended; and the appropriation for objects of expenditure other than personal services, for which $18,000,000 is recommended. The limitation proposed by the budget on expenditures for personal services in the District of Columbia was $16,530,000. This has been reduced in the bill by $530,000 to $16,000,000 since the Bureau in adjusting its operations under the 1948 appropriation did not sufficiently reduce unnecessary and inefficient activities in the Washington office. Thus, no reduction has been made in the funds requested for personal services in the field where the most important enforcement work is and should be concentrated.

Last year the budget estimate for the Bureau was $208,000,000, against which the Congress applied a reduction of $20,000,000 and appropriated $188,000,000. Very strong criticism of this action was voiced by the Treasury Department spokesmen, and when the President signed the Treasury-Post Office appropriation bill for 1948, he released a statement which read in part as follows:

"I am advised by the Secretary of the Treasury and the Commissioner of Internal Revenue that the reduction of $20,000,000 in the appropriation of the Bureau of Internal Revenue will mean a reduction in personnel of 4,000 to 5,000 employees and will result in a direct loss of revenue of not less than $400,000,000 in fiscal year 1948."

A large part of the criticism of the committee and the Congress in this respect was based upon the often-repeated concept advanced by the Bureau of Internal Revenue that for each $1 of funds spent by it $20 in revenue is collected. It should be noted that the Bureau of Internal Revenue requested the President to ask Congress for $213,000,000 for 1948. The President reduced this request by $5,000,000, and using the same arithmetic by which the figure in the afore-mentioned statement was computed, the President caused a loss of $100,000,000 in revenues by his own action. But since last July the President has decided that the amount appropriated for the Bureau for 1948 will be adequate for 1949, and it should be noted that a distinct change has occurred in the $20 for $1 ratio. The Commissioner of Internal Revenue testified that:

"For the fiscal year 1947, for every dollar spent we received in return $22.75 and for the first 4 months of 1948 for every dollar we spent, we received in the way of production $27.83."

This often-cited ratio fluctuates. Apparently the Bureau divides tax revenues by its expenditures for the equivalent period and arrives at this ratio of production. There is thus no magic formula whereby x dollars spent on salaries and expenses for the Bureau produces y dollars in revenue. The revenue has flowed in, either regardless of the efforts of the Bureau or because the Bureau has settled down to work and im-

proved its effectiveness. But the mere correlation of these statistical data is not proof that the one figure determines the other. Enforcement activities doubtless result in the discovery and collection of unreported or erroneously reported taxes. The productivity of such efforts, however, is not measurable solely in terms of dollars spent for salaries and expenses of the Bureau. Such productivity is dependent upon the degree of efficiency and effectiveness of the operations of the Bureau and not merely upon the total number of persons on the pay roll.

When the 1948 appropriation for the Bureau was under consideration the Bureau pointed out that it audits 3 percent of the tax returns filed each year, and such audits are said to be productive of increased tax collections. Notwithstanding approximately a 10-percent reduction in appropriations for 1948, the Bureau is still able to audit 3 percent of its returns. The Commissioner testified that this is attributable to increased efficiency on the part of the investigative force. Obviously, a reduction in appropriations was helpful to the Bureau and seems to have encouraged increased efficiency and output.

It should be noted that statistics of the Bureau's enforcement accomplishments contain inflated figures. Bureau officials admit that when a tax assessment is made the amount is counted in enforcement figures, and when a warrant for collecting the same tax is issued the amount is again counted. These officials state, however, that the amount of inflation in enforcement figures is small. Inaccurate figures offered as a basis for budgetary action provide no basis for enhancing the confidence of the committee in any agency.

In its report last year the committee stated that enforcement activities of the Bureau and the Alcohol Tax unit should not be curtailed because of reduced funds. The conference report on last year's bill, which was duly considered and adopted by both Houses, directed that enforcement activities of the Bureau should not be curtailed. The Bureau, however, did not follow these instructions.

Complaints of inefficiency in the operations of the Bureau have been heard for many years, and last year led the committee to institute an investigation. The investigators' report pointed out many glaring inefficiencies but, when interrogated thereon, Bureau officials in general denied or sought to explain away nearly all allegations of inefficiency.

The investigators found discipline and administrative control lax in the Washington office of the Bureau, and estimated that it is securing no more than six productive hours of work per day, on the average, from its employees. In the face of such conditions, the Congress is urged to appropriate large sums of money to support, in effect, loafing on the job. This is like stoking the furnace while the upstairs windows are open. The Commissioner testified that he has taken steps to correct this situation and will take stronger action if necessary. If the Commissioner finds it necessary to discharge supervisory personnel for failure to exercise proper control over employees, he should receive the full support of all concerned.

The investigators found that the training division of the Bureau is "an aggravated example of inefficiency and lost motion." The Commissioner agreed to look into this matter. Reports of the Bureau's own field supervisors contain repeated references to the fact that employees are not keeping current in their correspondence instruction courses. The Bureau puts great importance on the completion of correspondence studies by its personnel, and considers such activity in connection with employee efficiency ratings. The committee is led to believe, however, that in actual practice this policy is not fully carried out in assigning efficiency ratings. The training program should either be reduced or employees should be required to utilize it more fully, and delinquencies in respect to such training should be given greater weight in actual efficiency ratings.

There are indications of cumbersome procedures and an inordinate degree of specialization in certain departmental units of the Bureau. These should be thoroughly surveyed and the results reported to the committee next year. The office of the chief counsel is one of the units referred to, and there is some indication that this office is overstaffed.

The audit review divisions in the Washington office of the Bureau appears to be engaging in much duplication of the efforts of the field units, and the committee feels that economies in these divisions can be effected without impairment of necessary service.

The personnel of these divisions are generally in lower salary grades than are the field employees whose work they review, and the small number of errors found in such reviews do not appear to warrant the procedure. It should be reduced or eliminated, and it is to this end that part of the reduction in the amount available for expenditure at the seat of Government has been made.

The most serious defect in the organization and operations of the Bureau is the fact that the men who are charged with the actual collection of the revenue, the collectors, are political appointees. The Commissioner, who administers the entire Bureau, does not have effective control over the collectors throughout the country. Whether collectors of internal revenue actively attend to the affairs of their offices or merely bask in their patronage appears to be largely a matter of their own volition.

The committee recommends the enactment of legislation whereby the appointment of collectors of internal revenue would be removed from the patronage system and placed under civil-service laws and regulations. This would be a major progressive step in the operations of the Bureau, even though the administration of the civil-service system is badly in need of widespread improvements.

In the course of their survey the committee investigators visited the office of the collector of internal revenue in Boston, Mass. An extremely lax and inefficient administration was discovered. Evidence found in the files of the assistant collector was highly indicative of violations of the Hatch Act.

In Hartford, Conn., officials in the office of the collector of internal revenue have been indicted for violations of the Hatch Act.

Two employees in the office of the collector of internal revenue in Newark, N. J., recently flushed several bundles of income-tax records down a drain. This was not discovered for several months, resulting in costly confusion. Proper supervision in this office would seem to have either prevented such an incident or reduced the ensuing confusion and cost.

It was brought out in the hearings that a grand jury investigation was scheduled to start on February 23, 1948, with respect to alleged political activity in the office of the collector of internal revenue at Milwaukee, Wis.

The cashier in the office of the collector of internal revenue in Wilmington, Del., was recently convicted of embezzlement. Reports of the Bureau's own field supervisors, which are printed in the hearings on the bill, establish the fact that the collector at Wilmington had definite notice of irregularities on the part of his cashier many months before the defalcations were reported to the Bureau in Washington. Also the Bureau had notice in a report from its own field supervisor dated October 31, 1946, that the cashier was not complying with the Bureau's accounting regulations. The following quotations from this report are significant:

"In the absence of any kind of a record or work sheet reflecting settlement of the cash drawer, it could only be concluded that the same carelessness and neglect attended the reconciliation of cash receipts.

"* * * and Mr. Flynn's signature to the monthly Form 68 constituted a falsification of facts and figures."

Other inefficiencies in varying degree were found in other collection districts throughout the country. Copies of numerous reports of the Bureau's own supervisors of accounts and collections are contained in the hearings, with comments thereon by the Bureau. These reports from the Bureau's own files conclusively establish that extreme laxity and gross inefficiency pervade many collectors' offices, and the action reported thereon by the Bureau leads the committee to conclude that the standards of efficiency and administrative control observed by the Bureau are entirely inadequate.

There appears to be an unnecessary and cumbersome degree of specialization in the work of enforcement personnel. The organizational structure and lines of administrative authority, including the inconsistent alinement of field organizations of the various units of the Bureau, the accounting and control of appropriated funds, and many other aspects of the management of the Bureau should be subjected to thorough objective analysis and revision.

It is recommended that the Commission on Organization of the Executive Branch of the Government undertake a thoroughgoing analysis of the Bureau of Internal Revenue at the earliest possible moment. The great importance of this agency which collects the revenues for operating the Government requires that it be given the highest priority in the Commission's program.

Secret Service Division

Appropriation, 1948	$2,813,400
Supplemental estimate, 1948	10,700
Estimate, 1949	2,819,600
Recommended in bill, 1949	2,814,600

The only reduction in estimates of appropriations under the Secret Service Division is $5,000 for salaries and expenses for the guard force for Treasury buildings. The budget provides for a reduction in guard personnel but includes no equivalent reduction in expenditures for objects other than personal services. As already indicated under the discussion of departmental offices, the committee recommends that the guard force be returned to the office of the Secretary. Its operations are of a routine nature and are not the same specialized type of police work as that of the Secret Service. The budget estimates for salaries and expenses of the Secret Service and the White House Police have been approved in full by the committee. Protection for the President and the President-elect in an election year will require adequate funds, and criminal activities such as counterfeiting, which is on the increase, should not be neglected.

Bureau of the Mint

Appropriation, 1948	$6,467,500
Estimate, 1949	4,696,000
Recommended in bill, 1949	4,505,000

Although the budget estimates for the Bureau of the Mint have been reduced from the amount appropriated for 1948, principally because of the reduced demand for coin, inspection of its budget shows that it generally overestimates requirements for funds. There were unused balances of the amounts appropriated for the past 3 years, including $891,413, in 1946; $1,622,788, in 1947, and an estimate of $1,557,000, in 1948. The estimates of $4,696,000 for 1949 have been reduced by $191,000, which should not prevent the bureau from employing auditors necessary to the gold and silver programs, as contemplated by the estimates.

Bureau of Federal Supply

Appropriation, 1948	$1,480,000
Estimate, 1949	11,620,000
Recommended in bill, 1949	1,550,000

The estimate for the direct appropriation for salaries and expenses of this Bureau for 1949 is the same amount as authorized for 1948, $1,310,000. Additional administrative expenses for its operations, however, are obtained from its capital account known as the general supply fund. Expenses paid from this fund for 1948 are estimated at $4,418,000. An appropriation of $10,000,000 is requested to increase the general supply fund from its present amount of $8,000,000 to $18,000,000. An increase of $500,000 over the 1948 amount of administrative expenses derived from this fund is estimated for 1949 under the proposed capital increase.

Much of the authority under which the Bureau of Federal Supply conducts and implements its operations is carried in the annual appropriation bill. The activities of the Bureau are increasing rapidly, and the testimony of the Director indicates that plans are being made and legislation is being prepared for extensive expansion of the scope of the Bureau's operations. The committee has been informed that the Bureau of the Budget is preparing legislative proposals, which, though still in preliminary stages, apparently will bring some of the functions of the surplus property disposal program under this Bureau and transfer the Bureau from the Treasury Department to the Federal Works Agency. And the Commission on Organization of the Executive Branch of the Government is surveying Government-wide supply and procurement activities.

It would be premature to recommend an appropriation which would more than double the general supply fund, and thus provide for a great expansion of the operations of the Bureau of Federal Supply, while important studies and legislative proposals relating to its operations are being developed. Its activities should receive careful scrutiny by the proper legislative committee before its scope is enlarged, and the committee is not disposed to recommend to the House that legislative authority for this Bureau be carried in an appropriation bill after 1949. It is recommended, however, that such language be carried in the bill for 1949, since its elimination would result in precipitous interruption of a going program.

Apart from the fact that reorganization of the Bureau of Federal Supply is under consideration there are other substantial reasons why the committee recommends that the general supply fund should not be increased at this time. Centralization of procurement and supply functions of the Government appears to be meritorious for certain standardized supplies and equipment. Though savings in net cost to the Government are alleged under centralized procurement, no convincing evidence has been presented to the committee that all Government procurement or even a greatly expanded program thereof could be economically and efficiently centralized under the Bureau of Federal Supply or any other agency. Some Government establishments allege and some, such as the Post Office Department, have offered proof that they can purchase more economically than can the Bureau of Supply some of the items required for their operations. The reason given for increasing the general supply fund is that of increasing the volume of centrally procured supplies for Government agencies. This would require the financing of larger inventories, and increased working capital would be needed to finance the lag between payments to suppliers and the liquidation of accounts receivable. A year or so ago the average time required for the Bureau of Federal Supply to collect amounts due from Government agencies was 90 days. Testimony reveals that by efforts on the part of Federal Supply officials, this period has now been reduced to approximately 45 days. The cumbersome and outmoded system of checks and balances of controlling Federal funds under the warrant procedure is a factor which makes elimination of the lag in collections difficult. However, the results already accomplished prove that improvements can be made, and they must be made. It would be the worst kind of public policy to appropriate money to offset the propensity of Government administrators not to settle their accounts and pay their bills promptly. Testimony indicates that it is possible for operating agencies requisitioning from or through the Bureau of Federal Supply to advance purchase funds from their appropriations when accompanied by specific orders. Therefore, the committee has not included funds in the accompanying bill to increase the supply fund.

There are other operations of the Bureau of Federal Supply, the value of which are highly doubtful, such as the Special Furnishings Section. The Printing Section of the Purchase Branch is said to edit all manuscript of the Treasury Department submitted for printing, allegedly saving money. However, what often happens is merely the verbatim retyping from one form to another, a complete duplication of effort, and a completely wasteful operation.

The appropriation for printing and binding for the Bureau of Federal Supply covers the costs of printing the Daily Treasury Statement as well as certain reports wholly unrelated to the operations of this Bureau. Printing and binding funds are also provided for the respective bureaus, including the Bureau of Accounts which prepares and publishes the Daily Treasury Statement. The principle specified previously in this report, that of having appropriations conform to the operations and functions of the various units, should be followed with respect to the Bureau of Federal Supply as well as all other units of the Department in the budget for 1950.

Estimates totaling $1,620,000 for salaries and expenses, printing and binding, and expenses for determining net renegotiation rebates have been reduced by amounts aggregating $70,000, which can readily be absorbed. An increased transfer in amount of $30,000 from the general supply fund for printing and binding is, however, recommended.

Typewriter purchases

As indicated in its report on the Treasury-Post Office appropriation bill for 1948, the committee instituted a survey of Government requirements for typewriters. The report of this investigation revealed that the Government now has a staggering number of typewriters on hand. As of August 1947 the Federal Government had approximately 1 typewriter for each 2.5 Federal employees, and had approximately 3.6 typewriters for each of the stenographers, typists, and correspondence clerks employed. The report also revealed that there were nearly 15,000 electric typewriters on hand as of August 15, 1947, and various agencies proposed to purchase 900 additional electric typewriters in 1948. Thus, during the period when ordinary typewriters have been difficult to obtain, some agencies have been purchasing electric typewriters for more than double the regular commercial price of ordinary mechanical typewriters. While many typists doubtless prefer to use electric typewriters, owing to their ease of operation and the large number of copies which their use makes possible, there is no measurable reduction in cost or increase in efficiency to the Government in the use of such machines except for isolated and specialized work. There has not been and will not be any reduction in the number of typists requested by the departments and agencies as a result of the purchase of electric typewriters regardless of any alleged increases in efficiency, and the net effect will be the increased cost to the taxpayers of such machines.

In summary, it is obvious that the Government now has more than an adequate supply of typewriters to meet all requirements for the coming year. This being the case, there is no justification for the purchase of a single typewriter, ordinary, electric, portable, or otherwise, during the fiscal year 1949. To permit the purchase of typewriters under these conditions would be a breach of trust on the part of the Congress in these times when the crushing expenses of Government are already a portentous menace to our system of free enterprise. In this connection, the question of possible discrimination against manufacturers of typewriters is brought up. Demand for typewriters on the part of business and institutional customers and private individuals currently exceeds production capacity. It would thus be to the advantage of typewriter manufacturers to have a moratorium on purchases by the Government during the period when the available supply is inadequate for the demands of private users. Therefore, the committee has inserted a provision in the accompanying bill which prohibits the purchase of any typewriters by the Government in the fiscal year 1949.

While there is no question that the total supplies of typewriters now owned by the Government will more than fill all essential requirements, it is possible that the departments and agencies which have surplus machines will not necessarily be the ones whose requirements may expand in the coming year. To overcome this possibility, provision has been made in the bill whereby surplus typewriters will be surrendered to the Bureau of Federal Supply for redistribution to other agencies needing additional or replacement machines. The Bureau of Federal Supply has trucks, warehouse facilities, a typewriter-repair shop with trained personnel, and also has a Government Requirements Division already experienced in redistributing stocks between agencies. In addition it has a revolving fund, which can be drawn upon on a temporary basis to cover the costs of administration, hauling, repairing, and storing typewriters in the process of redistribution until the agencies receiving typewriters from the central stocks can be charged by the Bureau of Federal Supply. This is the only Government agency with these unique characteristics, which is the reason it was selected for carrying out this activity.

TITLE II—POST OFFICE DEPARTMENT

For the postal service a total of $1,691,269,250 is contained in the bill for departmental and field activities in 1949, representing a reduction of $19,375,250 in the budget estimates, and an increase of $85,335,700 over appropriations for 1948. However, supplemental estimates now pending for 1948 total $141,318,800, and if this amount is added to appropriations already made for 1948, the sum provided in the bill represents a reduction of $55,973,100 below the total 1948 figure.

Postal revenue and expenditures

Although the Committee on Appropriations has emphasized this matter previously, it is important in considering the budget for the postal service to bear in mind certain factors which are not involved in the consideration of other parts of the budget. A very large portion of the cost of operating the postal service is predetermined by or in pursuance of statute. The Postmaster General has authority to appoint certain types of employees in such numbers as are needed to render service which the Department is required by law to perform. Such authority is obviously necessary in order that the mail be moved and delivered whenever, wherever, and in whatever volume it is delivered to post offices. The rates of compensation paid

to postal employees are fixed by law. The rates charged by railroads for hauling mail are fixed by the Interstate Commerce Commission, and the rates paid for air-mail transportation are determined by the Civil Aeronautics Board. The calculation of the amounts to be appropriated for operating the postal service from year to year is thus entirely a process of making the most accurate estimate possible as to the volume of mail to be deposited by the public in post offices, and on the basis of applicable laws, to determine how much money will be required to move and deliver that volume of mail. Therefore, considerations such as how much of the available Government revenues can wisely be allocated to moving the mail are for the most part academic in the process of making appropriations for the Post Office Department.

The fiscal year 1948 demonstrated the principles under discussion. Under the annual budgetary cycle, estimates of appropriations, which are based on estimated mail volume, for the fiscal year ending June 30, 1948, were first prepared in July of 1946. At that time all indications were that postal revenues would follow the moderately downward trend then operative and would approximate $1,257,400,000. (The volume of postal revenues is indicative of the volume of mail and service transactions.) Congress acted on the postal budget, and appropriated $1,531,661,050 for operating the postal service in 1948. Meanwhile, during the 12 months which had elapsed since the preparation of estimates on which such appropriations were based, the Post Office Department found that the trend of postal business instead of declining was showing a marked rise. Supplemental estimates for appropriations totaling $162,384,100 were submitted to the Congress just as the fiscal year 1948 began. The committee recommended that a wait-and-see attitude be adopted, and $74,272,500 was appropriated, with authority for the Department to draw heavily upon its available funds in the first part of the year in the event of continuing increases in mail volume.

While the time-consuming process of translating postal-revenue statistics into volume and number of pieces of mail for the first 6 months of fiscal year 1948 has not yet been completed, figures for that period indicate the largest volume of postal receipts in history. Revenues for the first half of 1948 were approximately $719,000,000, an increase of 12.4 percent over the equivalent 6 months of the previous year, indicating that total revenues for the year will probably exceed $1,400,000,000. Total postal revenues for 1949 are estimated in the budget at $1,384,732,000. This estimate was made more than 6 months ago and postal business meanwhile has increased at a rate which now indicates that the 1949 budget may well be too low. If this proves true, the appropriations recommended in the bill for 1949 may prove inadequate. Therefore, the committee can see no wisdom in making substantial reductions in the budget estimates for the Post Office Department.

Management of the Post Office Department

For the first time in history, a career employee has become Postmaster General. The committee has great confidence in Mr. Donaldson's ability and integrity, and congratulates him on his achievement.

His appointment has had a highly benefical effect on the morale of postal workers. This, coupled with the fact that the postal service is now completing its postwar readjustment in personnel, affords the incumbent Postmaster General an opportunity to apply his wide knowledge of postal operations so as to institute all possible improvements in efficiency and reductions in costs in the operation of the postal establishment.

Salaries, departmental bureaus and offices

The general increase in postal business increases somewhat the work loads of the various departmental offices. Therefore, the amounts contained in the bill for nearly all departmental offices are greater than amounts provided for 1948. The committee recommends such increases to provide for additional employees to aid in controlling the allocation of funds for field operations throughout the country. While increases over 1948 are recommended in most instances, the committee feels that the increases requested in the budget are not fully justified, and has reduced the 1949 estimates somewhat for all departmental offices.

For the office of the Postmaster General, an increase of $20,000 over the 1948 appropriation of $406,600 has been provided to cover the cost of the safety program. This is a meritorious activity which should be pushed with vigor. Other requested increases have not been granted, since a realinement in personnel by reducing public relations and personnel staffs can be effected so as to provide positions for other types of activity deemed necessary for this office.

The Office of Budget and Administrative Planning has been granted part of the increase requested. This Office was established only 6 years ago, and the amount of $65,000, which is a reduction of $3,300 below the estimate for 1949, is more than double its initial appropriation in 1943. The committee feels that the increase provided is adequate. The establishment, possibly under this office, and as may be recommended by the legislative committee, of a research laboratory for making engineering studies to reduce the volume of manual labor in handling and moving the mails would be a most progressive step, and there is great need for continuing analysis of postal procedures and methods.

Twenty new positions were requested for the Office of the First Assistant Postmaster General, at a cost of approximately $50,000. The explanation made for part of this increase was to reduce the backlog of work in this Office, which is not considered by the committee as an adequate justification. The estimate of $1,200,000 has been reduced to $1,162,500 in the bill.

The Office of the Second Assistant Postmaster General requested 12 new positions for 1949 at a cost of $48,000. However, the work-simplification program and a direct survey are reportedly resulting in the saving of the equivalent of 17 positions per year. These savings should provide adequate funds for new or expanding activities and reclassifications, and only a small increase for automatic salary advances is recommended. The estimate of $990,000 has been reduced to $928,000 in the bill.

No new positions are requested for the Office of the Third Assistant Postmaster General, and the increase requested is attributed to automatic salary advancements and costs of normal personnel turn-over. This appears to be excessive, and only part of the requested increase is provided in the bill. The amount of $1,350,000 is recommended, a reduction of $12,000 below the estimate of $1,362,000. The preliminary report of the Committee on Post Office and Civil Service indicates that more modern mechanical devices and methods could be applied to the systems under this Office with resultant savings. To increase such mechanization, which the committee feels is highly important, $400,000 of the appropriation for miscellaneous supplies and equipment has been reserved for the acquisition of machines for activities under the jurisdiction of the Third Assistant Postmaster General.

The increase requested for the Office of the Fourth Assistant Postmaster General would provide for 35 additional employees, including 16 to restore positions abolished under recommendation of the committee last year and 19 new positions. Increases for the Topography Division are not deemed justified. Map reproduction methods now used appear to be antiquated and should be modernized with resultant savings in cost. Two additional positions appear to be justified for the Division of Post Office Quarters, but the increase recommended for administering the vehicle service is not approved by the committee. The vehicle service badly needs improved administration, but manpower for augmenting the archaic methods and policies now prevailing with respect to this service would be merely nurturing obsolescent operating concepts. One engineer and one additional stenographer appear to be justified for the Division of Public Buildings Operation. Less than half the increase requested for this office is provided in the bill. The estimate of $823,000 has been reduced to $752,000 in the bill.

The estimate of $250,000 for the office of the Solicitor is approved in full, as there is considerable work to be done on rail- and air-mail rates. The Solicitor should continue to intervene for the Department in all transportation rate cases, and should be constantly alert to the possibility of initiating petitions for transportation rate reductions.

The office of the Chief Inspector, for which the estimate of $408,100 was reduced to $405,000, has been granted a small increase over 1946, and the estimate of $85,000 for the office of the Purchasing Agent is approved in full.

The Bureau of Accounts has had unused balances in its appropriation in each of the past 2 years, and the expenditures in the first part of 1948 are less than the amount available. The estimate of $525,000 has been reduced to $485,000. The committee encourages the saving of unnecessary funds, but, based on the recent experience of this office, feels that a reduction of the 1949 estimate is in order.

Part of the increase requested for contingent expenses has been provided in the bill. The estimate of $204,300 has been reduced to $160,000. The increase for furniture is based, in part, on additional employees requested for various bureaus. As these increases have not been granted, additional furniture for them will be unnecessary. Funds for the purchase of 200 typewriters will not be necessary in view of the provision contained in title I of the bill. The amount contained in the bill for contingent expenses is based on the rate of expenditure during the first 5 months of the current year.

Two million dollars has been provided for printing and binding for the Department and postal service, which is an increase of $50,000 over the amount appropriated in 1948 but a reduction of $228,000 in the estimate of $2,228,000 for 1949. In the interest of economy, the Post Office Department should make every effort to hold this expenditure down, and the exercise of better control of printed forms in the field service appears possible. The increased estimate is due partly to increased printing costs, which must be considered, but also to increased volume in printing, which can be controlled.

Inspection service

Appropriation, 1948	$6,493,000
Estimate, 1949	6,641,100
Recommended in bill, 1949	6,541,000

The Bureau of the Budget reduced the amount requested for salaries of inspectors because permissive promotions were being made too fast, and no provision is made in the personnel tabulation for lapses occasioned by personnel turn-over. While the committee is not inclined to recommend reductions which would reduce the number of inspectors to be employed, by decreasing the number of permissive promotions and eliminating funds to compensate for unused balances which remained in previous years, a

reduction in the estimates for 1949 can be made. This has been carried out in the bill. Similar considerations are applicable with respect to appropriations for travel and miscellaneous expenses and clerks of the inspection service. No justification for increasing the appropriation for payment of rewards has been submitted, in the opinion of the committee.

Compensation to postmasters

Appropriation, 1948	$87,470,000
Estimate, 1949	88,470,000
Recommended in bill, 1949	87,900,000

There is an estimated unused balance in this appropriation for 1948 in the amount of $1,331,000, so the increase requested for 1949 actually amounts to $2,331,000. There were unused balances in 1945 and 1946, showing a tendency to overestimate this item. The estimate of $88,470,000 has been reduced to $87,900,000.

While salaries of postmasters generally follow the trend of postal receipts, they do not fluctuate in direct proportion thereto. Therefore, the current rising trend of revenue does not necessarily call for an equivalent increase in this appropriation. It should be pointed out that salaries of postmasters are fixed by statute, and the amount of the appropriation does not in any way affect the salary of any postmaster.

Assistant postmasters

Appropriation, 1948	$12,800,000
Estimate, 1949	12,850,000
Recommended in bill, 1949	12,500,000

The Bureau of the Budget reduced the Department's estimate for funds under this item by $1,650,000. There have been in each of the past 3 years unused balances in amounts appropriated for this purpose, and during the first half of 1948 actual expenditures have run at a rate below the total funds available. Increased postal receipts have a very minor effect on the salaries paid to assistant postmasters. In view of the foregoing, a reduction of $350,000 below the estimate of $12,850,000 has been effected in the amount recommended for this item.

Clerks, first- and second-class post offices

Appropriation, 1948	$487,400,000
Supplemental estimate, 1948	34,600,000
Estimate, 1949	531,000,000
Recommended in bill 1949	530,000,000

This appropriation is highly sensitive to the volume of mail and service transactions, and the increased volume of postal business justifies the appointment of new regular clerks as requested by the Department. However, it is doubtful, in view of the shortage on eligibility registers of applicants for regular positions, that the Department can convert substitutes to regulars as rapidly as it anticipates and desires. Therefore, the estimate of $531,000,000 has been reduced by $1,000,000. Increases in overtime and nightwork differential are requested, and every effort should be made to hold compensation for such work at a minimum. In addition, it is hoped that the Postmaster General will utilize his wide knowledge of the postal system to the fullest possible extent in controlling allowances to postmasters, thereby saving as much as possible of the funds provided for this purpose. The increase of the amount provided for 1949 exceeds by $7,000,000 the total amount estimated to be necessary in 1948.

Contract station service

Appropriation, 1948	$3,500,000
Estimate, 1949	3,800,000
Recommended in bill, 1949	3,500,000

This program in the long run accomplishes savings in postal expenditures. It is doubtful, however, that the Department has use for the full amount requested for 1949. The Bureau of the Budget reduced the amount requested by $300,000. Unused balances have run between $200,000 and $350,000 per year in the past 3 years, and the amount provided for 1948 seems adequate for the coming year. Therefore the estimate of $3,800,000 had been reduced by $300,000.

Separating mail and unusual conditions

Appropriation, 1948	$205,000
Estimate, 1949	221,400
Recommended in bill, 1949	205,000

High percentages of the amounts appropriated for these functions in recent years have been unused, leading to the conclusion that the Department overestimates the amounts necessary. Therefore, the committee does not consider the increases requested as justified, and the amounts contained in the bill are the same as those provided for 1948, which represents a reduction of $17,400 below the 1949 estimate of $221,400.

Clerks, third-class post offices

Appropriation, 1948	$24,000,000
Estimate, 1949	26,000,000
Recommended in bill, 1949	25,500,000

There were unused balances in this appropriation in each of the past three fiscal years. Testimony indicates that the total number of third-class post offices decreased in 1946 and 1947, with an estimated decrease in 1948. While the process of increasing the number of regular clerks in third-class post offices, as distinguished from substitute clerks, is continuing, the number of regular clerks which are being appointed is in excess of the number of substitutes converted to regulars, which, in effect, creates new positions amounting to about $1,900,000. Owing to the decline in the number of third-class offices and the unduly low estimates of lapses resulting from personnel turn-over, the committee recommends that the estimate for 1949 be reduced by $500,000.

Detroit River postal service

The 1949 estimate of $12,750 is recommended for this service. The Department should explore the possibility of having operators of the vessels served supply this service, or the use of helicopters.

Carfare and bicycle allowances

Appropriation, 1948	$2,125,000
Supplemental estimate, 1948	175,000
Estimate, 1949	3,000,000
Recommended in bill, 1949	2,800,000

If the supplemental appropriation request for 1948 for this purpose is granted, the 1949 estimate will exceed the 1948 appropriations by $700,000. The committee is not convinced that such an increase is justified; although in view of the fact that city-delivery service has necessarily been expanded, some increase in carfare and bicycle allowances is in order. The amount provided in the bill is $200,000 less than the budget estimate, and the increase granted over 1948 should be used primarily to facilitate the extension of city-delivery service. The Department should make a thorough survey of possible means of getting carriers to their routes without use of public transportation systems. With a fleet of vehicles as large as that possessed by the Post Office Department, such should be possible and should result in considerable savings.

City-delivery carriers

Appropriation, 1948	$295,300,000
Supplemental estimate, 1948	20,000,000
Estimate, 1949	326,000,000
Recommended in bill, 1949	326,000,000

The estimate for 1949 for this appropriation is more than $10,000,000 in excess of the amount appropriated plus the supplemental estimate for 1948. This is based on the increased volume of mail and also on the extension of city-delivery service required for delivery of mail to new housing projects throughout the country. Many housing projects for veterans and their families, as well as for the general public, are being located in suburbs. This has required thousands of extensions in city-delivery routes and is not offset by declines in the existing number of routes serving older municipal areas. The committee feels that the estimate for 1949 is entirely justified.

Special-delivery service

Appropriation, 1948	$14,750,000
Supplemental estimate, 1948	750,000
Estimate, 1949	17,000,000
Recommended in bill, 1949	16,000,000

The cost of special-delivery service was greatly increased following enactment of Public Law 134 (79th Cong.), which put special-delivery messengers on a salary basis and provided hourly rates for the use of automobiles. The estimate for 1949 exceeds the amount appropriated for 1948, plus the supplemental estimate for 1948, by nearly $2,000,000. The Department has stated that it contemplates the discontinuance of delivery reports on special-delivery mail, which would lead to considerable economy. The estimate reflects an increased amount for hiring of substitute messengers. The committee feels that the amount estimated for 1949 is excessive, and has provided a reduced amount in the bill. Savings should be possible by the discontinuance of delivery reports and curtailing use of substitutes. The committee expects to inquire further into this matter next year.

The committee has received correspondence from various persons interested in the special-delivery service which implies that the Post Office Department is not giving the most careful attention in the operation of the special-delivery service. The complaints allege that the Department desires by inflating the cost under Public Law 134 to ultimately cause its repeal. The committee is unable to affirm the accuracy of such allegations and hopes they are unfounded. The Department is urged to do everything possible to keep the cost of this service at a minimum with a view not only of reducing Government expenditures, but to silencing any unfair criticism.

Rural delivery service

Appropriation, 1948	$131,167,000
Estimate, 1949	135,719,000
Amount recommended in bill, 1949	135,719,000

The estimate for 1949 reflects an increase of $4,552,000 over the amount provided for 1948. The increased volume of mail, together with construction of new housing, justifies the requested increase in this appropriation. It is highly important that the Department continue its survey relating to the consolidation of rural routes and that it effectuate all possible consolidations so as to reduce the cost of this service.

Star-route service

Appropriation, 1948	$23,213,000
Supplemental estimate, 1948	765,000
Estimate, 1949	25,501,000
Recommended in bill, 1949	25,501,000

The appropriation for star-route service formerly related only to star routes within the continental limits of the United States. A separate appropriation was previously made for star-route and air-mail service in Alaska. A rearrangement of appropriations has included in this item overland star-route service both within the continental limits of the United States and in Alaska, and has transferred the cost of Alaskan air-mail transportation to the appropriation for domestic air-mail service.

Increases in this appropriation for 1949 are based on the necessity for instituting new star routes and extending present star routes to supplement delivery of mail to points not served at all by railroads or served on inadequate train schedules. Star-route contracts expiring during the fiscal year 1949 are also estimated to be at increased rates when relet, owing to the increased cost of operating and maintaining vehicles. Also, in view of the fact that the law under which contracts

for star-route service are let provides that contractors may cause their contracts to be readvertised, it is estimated that new contracts let in 1949 under this provision of law will reflect marked increases.

The Department plans an expansion of the highway post-office service wherever possible to substitute for discontinued rail service, and there is a greatly accelerated trend in the discontinuance of railroad service in many parts of the country at the present time. Highway post-office service is proving to be a comparatively economical and efficient method of moving mail, and the committee reiterates its prior approval of the expansion of this service.

One hindrance to the establishment of highway post-office service in many parts of the country is the absence of Government garages, which are necessary for upkeep and maintenance of the vehicles used. It was testified that the Department had contacted operators of bus lines in an effort to have them bid on operating highway post offices. The committee feels that every effort should be made to encourage bus operators to undertake this service in order that their garage and other facilities might enable the establishment of this type of service in areas where railway service is either inadequate or not available, and in cases where railway service proves more expensive than highway service.

Railroad transportation

Appropriation, 1948	$145,000,000
Supplemental estimate, 1948	59,920,000
Estimate, 1949	165,881,000
Recommended in bill, 1949	165,881,000

The appropriation for 1948 and the estimate for 1949 were based on railroad-mail rates in effect up to December 1948 and the anticipated volume of mail to be transported in the respective periods. The volume of mail has increased substantially in 1948, by more than 13 percent over that estimated before the fiscal year began, which accounts for $22,144,000 of the supplemental estimate for 1948. In December 1947 the Interstate Commerce Commission ordered an interim increase of 25 percent in railroad-mail rates retroactive to February 19, 1947. The fiscal 1948 portion of this increase amounts to $37,775,820, as reflected in the supplemental estimate. As the estimate for 1949 was prepared prior to the date this rate increase was ordered, it will most likely be inadequate for 1949 operations. The full amount of the budget estimate is provided in the bill.

Special contracts with railroads are authorized by statute for transportation of mails where the Postmaster General believes special conditions warrant higher rates. Testimony reveals that there were six such special contracts in effect as of July 1, 1947, providing for an annual increase over regular rates in amount of $111,763. The committee questions the necessity for such special contracts, and desires that the Department undertake a survey to ascertain the possibility of their discontinuance.

New streamlined railway-post-office cars, which have proved very satisfactory to the postal service, are being put into operation. The Department should endeavor to obtain the use of additional new and more economical cars.

Railway mail service, salaries

Appropriation, 1948	$104,100,000
Supplemental estimate, 1948	3,900,000
Estimate, 1949	109,195,000
Recommended in bill, 1949	109,188,000

The increase in the estimate for 1949 amounts to $1,195,000 more than the appropriation for 1948 and the supplemental estimate for 1948. Approximately 500 positions will be converted from substitute status to regular, which occasions very little increase in total cost but should improve efficiency. The principal item of increase for 1949 is automatic salary increases. Owing to the increased mail volume the amount provided in the bill equals the estimate for 1949, except for a minor reduction of $7,000. The Department requested authority to employ one general superintendent at large for the highway-post-office service. The committee does not agree that this position is necessary and accordingly has reduced the estimate to offset the elimination of the position. The Department did a commendable job in substantially reducing the cost of overtime and is urged by the committee to continue such reduction.

Foreign mail transportation

Appropriation, 1948	$19,500,000
Supplemental estimate, 1948	14,600,000
Estimate, 1949	23,842,000
Recommended in bill, 1940	23,842,000

The transportation of mail to foreign countries by steamship is paid for by this appropriation. The volume of such mail has increased in the first 5 months of 1948 by more than 80 percent over the equivalent months of fiscal 1947. This great increase is attributable principally to the sending of gift parcels of food and clothing to foreign countries. A number of bills have been introduced in Congress providing that gift parcels for foreign relief would be accepted by the Post Office Department at reduced rates or free of postage. If such legislation is enacted, the Department estimates that the volume of this type of mail will increase tremendously over the unprecedented quantities currently being sent. The amount recommended in the bill does not include estimates for postage-free or reduced-rate mail, but is predicated on the high volume of foreign mail already experienced.

Balances due foreign countries

Appropriation, 1948	$8,250,000
Estimate, 1949	3,250,000
Recommended in bill, 1949	3,000,000

This appropriation provides a fund from which advances are made to United States-flag air carriers for amounts due them for transporting air mail from foreign countries to the United States. There is a lag in the payment by foreign countries for such service. This fund permits the Department to advance funds to American carriers in anticipation of such payments, and all advances are subsequently recovered. Although the estimate for 1949 was reduced in the bill, a provision in the bill establishes a continuing revolving fund without fiscal year limitation, making $8,000,000 available for this purpose in 1949.

Foreign air-mail service

Appropriation, 1948	$40,500,000
Estimate, 1949	26,583,000
Recommended in bill, 1949	19,500,000

The amounts necessary for pay of air carriers from this appropriation have not been definitely ascertainable since the end of the war, owing to the fact that the Civil Aeronautics Board has not activated all certificated routes or established final rates for all overseas American-flag carriers. Of the amount appropriated for 1948, more than $13,000,000 is being held in suspense pending action by the Board. No accurate estimate can be made at this time as to the amount needed for 1949, and the amount requested in the budget has been reduced to a figure more in keeping with probable requirements. It is understood, of course, that if and when the Civil Aeronautics Board activates routes certificated or establishes final or increased rates for carriers, the Department will submit supplemental estimates.

Domestic air-mail service

Appropriation, 1948	$47,000,000
Estimate, 1949	35,588,000
Recommended in bill, 1949	32,000,000

The 1949 estimate for this appropriation includes $1,117,373 for the operation of routes in Alaska certificated by the Civil Aeronautics Board. The estimate is based on the assumption that there will no increase in air-mail rates paid to carriers by the Civil Aeronautics Board, and upon an assumed 25-percent increase in volume in 1949 over 1948. The Department stated that the amount required for payments to air carriers is partly dependent upon carriers' revenues from sources other than mail pay, and if other revenues are higher in 1949, payments from this appropriation could be considerably lower in 1949. All air lines now have rate applications pending with the Civil Aeronautics Board, and the budget estimate is little more than a guess. A reduction in the estimate is reflected in the bill, it being understood that rate rulings by the Civil Aeronautics Board might require supplemental appropriations.

Manufacture of stamps

Appropriation, 1948	$9,400,000
Estimate, 1949	9,911,000
Recommended in bill, 1949	9,335,000

The requested increase for the printing of postal cards appears justified. Testimony reveals that commercial establishments are among the heaviest users of 1-cent postal cards. The Department is required by statute to sell and accept for delivery 1-cent cards, but the committee doubts that it was the intent of the Congress to require the handling of such cards at less than cost for commercial and advertising purposes. The total cost of printing, handling, and delivery of such cards is in excess of the revenue obtained from their sale, and it is presumed that the legislative committee on postal matters will take cognizance of this fact. Although there has been a 10-percent decrease in the sale of stamped envelopes in 1948, the estimate for 1949 contemplates the manufacture of 79,000,000 more envelopes in 1949 than in 1948. Metered mail, which does not require funds from this appropriation, is increasing by leaps and bounds, and although in very small proportion, sales of stamps have decreased in 1948. Therefore, no adequate justification for an increased appropriation has been made with respect to this item, and the amount provided in the bill represents a small decrease below the 1948 amount.

Post-office supplies and equipment

Appropriation, 1948	$6,500,000
Supplemental estimate, 1948	815,000
Estimate, 1949	7,850,000
Recommended in bill, 1949	7,158,000

The supplemental estimate for 1948 is based upon the increased cost of supplies and equipment since the original 1948 estimate was prepared more than a year and a half ago. The increase in the estimate for 1949 reflects price increases with respect to the supplies and equipment requested, and exceeds the 1948 appropriation plus the estimated 1948 supplemental by $535,000. The Department had 18,748 typewriters on hand as of July 1, 1947, and the estimate includes funds for the purchase of 2,500 typewriters in 1949 at a cost of $207,700. This amount is unnecessary in view of the provision in title I of the bill. The data furnished in support of the estimate also indicated increased purchases of other office machines, and increased amounts of a miscellany of supplies.

Although recognizing that increased prices on purchases must be paid, no adequate justification of the need for increased quantities of such equipment and supplies has been made, and the amount provided in the bill is a reduction of $692,000 below the budget estimate.

The requested elimination of the provision earmarking funds for the purchase of modern postal devices does not seem advisable. This proviso was originally inserted at the request of the Third Assistant Postmaster General, according to testimony by the Department, and if it is eliminated, it is most

likely that no new mechanical devices will be obtained. It is highly important that labor-saving devices be installed to reduce the cost of operations. The committee has observed that certain elements in the Office of the Fourth Assistant Postmaster General appear to be consistently opposed to modernization of postal operations, which is lamentable. The Post Office Department of the United States is one of the largest business operations in the world, and its costs are mounting faster than its revenues are increasing. Every effort to mechanize and streamline its operating methods must be encouraged to the maximum, and it is hoped that officials who do not advocate improvements will not be permitted to obstruct progress.

In its preliminary report, entitled "Survey and Study of the Postal Service" (H. Rept. No. 1242, 80th Cong., 2d sess.), the Committee on Post Office and Civil Service indicated that important savings might be effected by the mechanization of mail-separating operations, and $100,000 has been earmarked in the bill for initiating such a program.

Equipment shops

Appropriation, 1948	$6,700,000
Supplemental estimate, 1948	425,000
Estimate, 1949	12,907,250
Recommended in bill, 1949	12,800,000

These shops, which are used for the manufacture of mail bags and locks, have produced savings compared to purchases of such equipment from commercial suppliers. During the war large numbers of bags and pouches were lost and damaged in the transmission of mail to the armed forces overseas, and the shortage of sacks is a serious problem to the Department. The need for new mail sacks and repairs to old sacks is thoroughly justified, and providing the funds requested for this purpose should lead to very large savings next year. Some difficulty was experienced in fiscal 1947 and preceding years in securing competent personnel. The committee believes that competent personnel will not be available to carry out the ambitious program the Department has planned, and a reduction of the estimate has been effected on this account.

The Department desires to expand its shop facilities for the manufacture and repair of sacks and locks. Legislative authority is necessary before an appropriation for this purpose can be made, and the legislative committee now has the matter under consideration. As evidence of the economy involved in the operation of such shops, the Department points out that it is currently paying for one class of sack an average of $3.20 each. Their shops can manufacture the same type sack at present for $2.32. Considering the millions of sacks needed by the Department, it would appear that additional shop facilities would be a sound investment.

Vehicle service

Appropriation, 1948	$38,500,000
Supplemental estimate, 1948	3,277,000
Estimate, 1949	42,914,000
Recommended in bill, 1949	42,000,000

The total truck fleet of the Department is 10,218 units, of which 7,733 are more than 10 years old, 6,856 are more than 15 years old, 189 are more than 20 years old, and 90 are more than 25 years old. Obviously, the cost of operating vehicles which have been in service for such periods of time is entirely uneconomical. The Department recommends that the entire fleet be replaced as soon as possible, and estimates that the present cost of replacing all vehicles is $22,700,000. Of the total sum required, $4,514,000 is available in 1948, and the estimate of $4,400,000 for 1949 is recommended by the committee in the bill. The balance necessary to effect complete replacement is $13,786,000.

The committee is in general agreement that the entire fleet should be replaced with new vehicles in the interest of economy. However, there are many other factors in the operation of the vehicle service which need attention in the interest of economy and efficiency. The officials in charge of this service seem to be inordinately reluctant to discuss this service from a constructively critical point of view. It is well known that the vehicle service has performed in a highly commendable manner. During the war especially it had a remarkable record of maintaining difficult schedules and operating under the most trying conditions. However, the service is not operated in such manner that unit costs are ascertainable, and it is impossible without adequate cost data to eliminate inefficient operations and take advantage of modern improvements in repair and maintenance methods. The vehicle service operates 90 service garages without the benefit of hydraulic lifts for greasing and repairs. Greasing equipment is reported to be not the most economical type. First-aid facilities in garages were testified to be of standard types, and the Public Health Service has never been requested to survey such facilities for their adequacy. The director of the safety program should put the vehicle service at the top of his list in undertaking his new program in the Department, and the committee desires to have a thorough and objective report on the safety standards in garages and all other operations of the vehicle service.

Although funds were made available on July 1, 1947, for the purchase of approximately 2,000 trucks, no orders had been placed as of December 11, 1947, when the committee held hearings on the bill. In view of the urgent need for new vehicles, it is difficult to understand why bids were not solicited much sooner. The committee has been informed that the Department rigidly adheres to specifications which have been in effect for many years when purchasing trucks, which prevent some manufacturers who have modernized their designs from bidding. This reduces competition in the bidding on Government purchases, and denies the taxpayers price advantages inherent in a competitive system. Bids were opened in January 1948 for supplying approximately 1,400 trucks for which appropriations were available on July 1, 1947. Only one supplier bid to suppy these trucks as complete units, obviously owing to the arbitrary insistence of the Department on outmoded specifications. The early delivery of trucks ordered in fiscal 1947, and the prompt procurement of trucks for which funds have been appropriated in 1948 and recommended for 1949, will permit the Department to replace more than half its present fleet.

The estimate of $42,914,000 for 1949 has been reduced in the accompanying bill to $42,000,000 in anticipation of a reduction in maintenance costs and other economies which can be effected. The Postmaster General should see to it that the oldest and most uneconomical trucks are completely disposed of when new equipment is obtained. The committee will not look with favor upon deficiency or supplemental estimates for operating the vehicle service in the future unless full advantage has been taken of all possible economies.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in the bill are recommended:

On page 8, lines 7 and 8, under "Bureau of the Public Debt, Treasury Department": "including not to exceed $3,750,000 for promoting the sale of savings bonds."

On page 21, beginning at line 10 and continuing through line 25, page 22, under "Bureau of Federal Supply, Treasury Department":

"No part of any money appropriated by this or any other act shall be used during the fiscal year 1949 for the purchase, within the continental limits of the United States, of any typewriting machines (except bookkeeping and billing machines).

"Each agency in the executive branch of the Government (which shall include all departments, independent establishments, and wholly owned Government corporations) is authorized and directed (1) to report within 30 days after the enactment of this act, or by July 1, 1948, whichever is the later, to the Director of the Bureau of Federal Supply the total number of typewriting machines in the possession or custody of such agency and the number thereof surplus to its requirements, and (2) to surrender and ship such surplus typewriting machines as the Director of the Bureau of Federal Supply may direct. Costs of packing and shipping hereunder shall be charged to the general supply fund. Each agency shall furnish the Director of the Bureau of Federal Supply such information regarding typewriting machines as he may from time to time request. The Bureau of Federal Supply is authorized and directed to receive and hold all typewriting machines surrendered to it hereunder and to distribute same to any of such agencies as the Director of the Bureau of Federal Supply may determine.

"The Director of the Bureau of Federal Supply is authorized and directed at such times as he may determine to be necessary to survey and determine the number and kinds of typewriters which are at any time surplus to the requirements of any agency. Upon such determination the Director of the Bureau of Federal Supply is authorized to direct, upon such notice and in such manner as he may prescribe, the head of any agency to surrender to the Bureau of Federal Supply any and all typewriting machines, surplus to its requirements, and such determination and direction by the Director of the Bureau of Federal Supply shall be final and conclusive upon all agencies, officers, and employees of the executive branch of the Government of the United States.

"The Director of the Bureau of Federal Supply is authorized to charge each agency to which typewriting machines are supplied hereunder amounts equal to the fair value thereof, as determined by him, and such amounts shall be credited to the general supply fund."

On page 32, lines 10 through 20, inclusive, under "Balances due foreign countries, Post Office Department": "*Provided*, That there shall be established immediately, by transfer of $5,000,000 from the appropriation for 'Balances due foreign countries' for the fiscal year 1948, a revolving fund which shall be available without fiscal year limitation for advances to air carriers for the transportation of air mail from foreign countries to the United States as authorized by section 2 of the act of July 27, 1940 (49 U. S. C. 485b), and payments hereafter received from foreign countries on account of air carriers for the transportation of air mail from foreign countries to the United States shall be credited to such fund."

On page 34, lines 9 and 10, under "Miscellaneous supplies and equipment, Post Office Department"; and of which $100,000 shall be available exclusively for mechanizing devices for separation of mails."

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949

PERMANENT INDEFINITE APPROPRIATIONS

Object	Appropriations, 1948	Estimates, 1949	Increase (+) or decrease (−)
General and special funds:			
Interest on deposits of public moneys of Government of Philippine Islands	$2,766,667	$3,100,000	+$333,333
Pershing Hall memorial fund	5,083	5,083	
Interest on the public debt	5,200,000,000	5,250,000,000	+50,000,000
Statutory public debt retirements	818,509,810	624,763,000	−193,746,810
Total, general and special funds	6,021,281,560	5,877,868,083	−143,418,477
Trust funds:			
Federal old-age and survivors insurance trust fund	1,819,500,000	1,896,774,000	+77,274,000
Unemployment trust fund	1,404,050,100	1,416,611,930	+12,561,830
Payment of unclaimed moneys	100,000	100,000	
American Samoa trust fund	1,500	1,500	
Puerto Rico trust fund	5,300	5,300	
Expenses, Prohibition Act, Puerto Rico and Virgin Islands	105,600	91,700	−13,900
Total, trust funds	3,223,762,500	3,313,584,430	+89,821,930

TITLE I—TREASURY DEPARTMENT

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
OFFICE OF SECRETARY OF TREASURY					
Secretary's Office, salaries	$409,000	$409,000	$380,000	−$29,000	−$29,000
Personal or property damage claims	20,000	50,000	30,000	+10,000	−20,000
Penalty mail costs	6,700,000	6,350,000	5,900,000	−800,000	−450,000
Refunds under Renegotiation Act	7,500,000	3,250,000	2,000,000	−5,500,000	−1,250,000
Total, Office of the Secretary	14,629,000	10,059,000	8,310,000	−6,319,000	−1,749,000
Foreign funds control, liquidation	275,000			−275,000	
Division of Tax Research, salaries	200,000	[1] 141,400	110,000	−90,000	−31,400
OFFICE OF GENERAL COUNSEL					
Salaries	250,000	250,000	225,000	−25,000	−25,000
Contract settlement, salaries, and expenses	75,000	75,000	75,000		
Total, Office of General Counsel	325,000	325,000	300,000	−25,000	−25,000
DIVISION OF PERSONNEL					
Salaries	127,000	127,000	120,000	−7,000	−7,000
Health service programs	75,000	75,000	70,000	−5,000	−5,000
Total, Division of Personnel	202,000	202,000	190,000	−12,000	−12,000
OFFICE OF CHIEF CLERK					
Salaries	326,000	326,000	300,000	−26,000	−26,000
Miscellaneous expenses	225,000	[2] 253,000	240,000	+15,000	−13,000
Printing and binding	35,000	([3])		−35,000	
Total, Office of Chief Clerk	586,000	579,000	540,000	−46,000	−39,000
Treasury buildings, custodial force, salaries	650,000	650,000	645,000	−5,000	−5,000
FISCAL SERVICE					
BUREAU OF ACCOUNTS					
Salaries and expenses	1,016,000	[4] 1,505,000	1,475,000	+459,000	−30,000
Deposit of withheld taxes, salaries and expenses	460,000	([5])		−460,000	
Printing and binding	60,000	([6])		−60,000	
Disbursement, Division of:					
Salaries and expenses	9,935,000	[7] 10,070,000	10,000,000	+65,000	−70,000
Printing and binding	170,000	([8])		−170,000	
Contingent expenses, public moneys	400,000	400,000	375,000	−25,000	−25,000
Recoinage of silver coins	200,000	150,000	150,000	−50,000	
Relief of the indigent, Alaska	14,000	18,000	18,000	+4,000	
Fund for payment of Government losses in shipment		325,000			−325,000
Refund of moneys erroneously received and covered	700,000	700,000	700,000		
Payment of certified claims	700,000	900,000	800,000	+100,000	−100,000
Total, Bureau of Accounts	13,655,000	14,068,000	13,518,000	−137,000	−550,000
BUREAU OF THE PUBLIC DEBT					
Administering the public debt	64,800,000	[9] 53,213,200	51,500,000	−13,300,000	−1,713,200
Distinctive paper for United States currency	1,113,000	1,300,000	1,300,000	+187,000	
Total, Bureau of the Public Debt	65,913,000	54,513,200	52,800,000	−13,113,000	−1,713,200
OFFICE OF THE TREASURER OF THE UNITED STATES					
Salaries and expenses	4,900,000	[10] 5,040,000	4,980,000	+80,000	−60,000
Printing and binding	140,000	([11])		−140,000	
Total, Office of the Treasurer	5,040,000	5,040,000	4,980,000	−60,000	−60,000
BUREAU OF INTERNAL REVENUE					
Salaries and expenses	188,000,000	188,000,000	186,736,000	−1,264,000	−1,264,000
Additional income tax on railroads in Alaska	3,500	4,500	4,500	+1,000	
Total, Bureau of Internal Revenue	188,003,500	188,004,500	186,740,500	−1,263,000	−1,264,000

Footnotes at end of tables.

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE I—TREASURY DEPARTMENT—continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
BUREAU OF NARCOTICS					
Salaries and expenses	$1,430,000	[12] $1,434,000	$1,450,000	+$20,000	+$16,000
Printing and binding	4,000	([13])		−4,000	
Total, Bureau of Narcotics	1,434,000	1,434,000	1,450,000	+16,000	+16,000
BUREAU OF ENGRAVING AND PRINTING					
Salaries and expenses	12,000,000	[14] 12,830,000	12,000,000		−830,000
Printing and binding	5,000	([15])		−5,000	
Total, Bureau of Engraving and Printing	12,005,000	12,830,000	12,000,000	−5,000	−830,000
SECRET SERVICE DIVISION					
Departmental salaries	85,000	([16])		−85,000	
Suppressing counterfeiting and other crimes	1,550,000	([17])		−1,550,000	
Salaries and expenses		[18] 1,715,000	1,715,000	+1,715,000	
White House Police:					
Salaries	372,900	([19])		−372,900	
Uniforms and equipment	9,000	([20])		−9,000	
Salaries and expenses		[21] 370,000	370,000	+370,000	
Treasury buildings, guard force, salaries and expenses	720,000	650,000	645,000	−75,000	−5,000
Printing and binding	8,000	([22])		−8,000	
Reimbursement to District of Columbia	68,500	84,600	84,600	+16,100	
Total, Secret Service Division	2,813,400	2,819,600	2,814,600	+1,200	−5,000
BUREAU OF THE MINT					
Director's Office, salaries and expenses	185,000	([23])		−185,000	
Salaries and expenses		[24] 4,691,000	4,500,000	+4,500,000	−191,000
Transportation of bullion and coin	22,500	5,000	5,000	−17,500	
Mints and assay offices, salaries and expenses	6,250,000	([25])		−6,250,000	
Printing and binding	10,000	([26])		−10,000	
Total, Bureau of the Mint	6,467,500	4,696,000	4,505,000	−1,962,500	−191,000
BUREAU OF FEDERAL SUPPLY					
Salaries and expenses	1,310,000	1,310,000	1,275,000	−35,000	−35,000
General supply fund		10,000,000			−10,000,000
Printing and binding	170,000	170,000	150,000	−20,000	−20,000
Renegotiation rebates		[27] 140,000	125,000	+125,000	−15,000
Total, Bureau of Federal Supply	1,480,000	11,620,000	1,550,000	+70,000	−10,070,000
Total, Treasury Department, title I, regular annual appropriations	313,678,400	306,981,700	290,453,100	−23,225,300	−16,528,600

TITLE II—POST OFFICE DEPARTMENT

POST OFFICE DEPARTMENT, WASHINGTON, D. C.					
Salaries					
Postmaster General, office of	$375,000	$406,600	$395,000	+$20,000	−$11,600
Office of Budget and Administrative Planning	59,500	68,300	65,000	+5,500	−3,300
First Assistant Postmaster General, office of	1,115,000	1,200,000	1,162,500	+47,500	−37,500
Second Assistant Postmaster General, office of	[28] 1,033,500	990,000	928,000	−105,500	−62,000
Third Assistant Postmaster General, office of	1,332,500	1,362,000	1,350,000	+17,500	−12,000
Fourth Assistant Postmaster General, office of	712,500	823,000	752,000	+39,500	−71,000
Solicitor's office	250,000	250,000	250,000		
Chief inspector's office	400,000	408,100	405,000	+5,000	−3,100
Purchasing agent's office	83,800	85,000	85,000	+1,200	
Bureau of Accounts	500,000	525,000	485,000	−15,000	−40,000
Total salaries	5,861,800	6,118,000	5,877,500	+15,700	−240,500
Contingent					
Miscellaneous expenses, Washington	145,000	204,300	160,000	+15,000	−44,300
Printing and binding	[29] 1,950,000	2,228,000	2,000,000	+50,000	−228,000
Total, contingent expenses, Washington	2,095,000	2,432,300	2,160,000	+65,000	−272,300
Grand total, Post Office Department, Washington, D. C	7,956,800	8,550,300	8,037,500	+80,700	−512,800
FIELD SERVICE					
Office of Postmaster General					
Travel and miscellaneous expenses	3,000	3,000	3,000		
Personal property claims	230,000	230,000	175,000	−55,000	−55,000
Adjusted losses and contingencies	[30] 130,000	80,000	75,000	−55,000	−5,000
Total, office of Postmaster General	363,000	313,000	253,000	−110,000	−60,000
Office of Chief Inspector					
Inspectors' salaries	4,300,000	4,400,000	4,350,000	+50,000	−50,000
Traveling and miscellaneous expenses	960,000	983,100	958,000	−2,000	−25,100
Clerks at headquarters	1,178,000	1,188,000	1,178,000		−10,000
Rewards, payment of	55,000	70,000	55,000		−15,000
Total, office of Chief Inspector	6,493,000	6,641,100	6,541,000	+48,000	−100,100
First Assistant Postmaster General					
Postmasters	87,470,000	88,470,000	87,900,000	+430,000	−570,000
Assistant postmasters	12,800,000	12,850,000	12,500,000	−300,000	−350,000
Clerks, first- and second-class post offices	[31] 487,400,000	531,000,000	530,000,000	+42,600,000	−1,000,000
Contract stations	3,500,000	3,800,000	3,500,000		−300,000
Separating mails at third- and fourth-class post offices	180,000	191,400	180,000		−11,400
Unusual conditions at post offices	25,000	30,000	25,000		−5,000
Clerks, third-class post offices	24,000,000	26,000,000	25,500,000	+1,500,000	−500,000
Miscellaneous items, first- and second-class post offices	3,600,000	4,000,000	3,850,000	+250,000	−150,000
Village delivery service	300,000	330,000	300,000		−30,000
Detroit River postal service	12,750	12,750	12,750		
Carfare and bicycle allowance including special-delivery carfare	[31 32] 2,125,000	3,000,000	2,800,000	+675,000	−200,000
Letter carriers, city delivery service	[31] 295,300,000	326,000,000	326,000,000	+30,700,000	
Fees to special-delivery messengers	[31 33] 14,750,000	17,000,000	16,000,000	+1,250,000	−1,000,000
Rural delivery service	[34] 131,167,000	135,719,000	135,719,000	+4,552,000	
Total, Office of First Assistant	1,062,629,750	1,148,403,150	1,144,286,750	+81,657,000	−4,116,400

Footnotes at end of tables.

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in bill for 1949—Continued

TITLE II—POST OFFICE DEPARTMENT—continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in bill for 1949	Increase (+) or decrease (−), bill compared with 1948 appropriations	Increase (+) or decrease (−), bill compared with estimates for 1949
FIELD SERVICE—continued					
Second Assistant Postmaster General					
Inland transportation:					
Star route service (transportation)	[35] $22,500,000	[36] $25,501,000	$25,501,000	+$3,001,000	
Star routes in Alaska	[37] 713,000	[38]		−713,000	
Steamboat or other powerboat routes	[35] [39] 2,000,000	2,133,000	2,133,000	+133,000	
Railroad transportation and mail-messenger service	[35] 145,000,000	165,881,000	165,881,000	+20,881,000	
Railway Mail Service:					
Salaries	[35] [40] 104,100,000	109,195,000	109,188,000	+5,088,000	−$7,000
Travel allowance, railway postal clerks	[35] 5,000,000	5,237,000	5,237,000	+237,000	
Travel expenses, officials and supervisors	55,000	66,000	66,000	+11,000	
Miscellaneous expenses	450,000	510,000	490,000	+40,000	−20,000
Electric-car service	210,000	220,000	220,000	+10,000	
Foreign mail transportation (except air mail)	[41] 19,500,000	23,842,000	23,842,000	+4,342,000	
Balances due foreign countries	[42] 8,250,000	3,250,000	3,000,000	−5,250,000	−250,000
Indemnities, international mail	15,000	20,000	15,000		−5,000
Foreign air-mail transportation	[43] 40,500,000	26,583,000	19,500,000	−21,000,000	−7,083,000
Domestic air-mail transportation	[44] 47,000,000	[45] 35,588,000	32,000,000	−15,000,000	−3,588,000
Total, Office of Second Assistant	395,293,000	398,026,000	387,073,000	−8,220,000	−10,953,000
Third Assistant Postmaster General					
Manufacture and distribution of stamps and stamped paper	[46] 9,400,000	9,911,000	9,335,000	−65,000	−576,000
Indemnities, domestic mail	[47] 3,521,000	3,898,000	3,775,000	+254,000	−123,000
Unpaid money orders	[48] 1,000,000	1,017,000	900,000	−100,000	−117,000
Total, Office of Third Assistant	13,921,000	14,826,000	14,010,000	+89,000	−816,000
Fourth Assistant Postmaster General					
Stationery, equipment, and supplies	6,500,000	7,850,000	7,158,000	+658,000	−692,000
Equipment shops	[49] 6,700,000	12,907,250	12,800,000	+6,100,000	−107,250
Rent, light, and fuel	[50] 13,907,000	15,000,000	14,500,000	+593,000	−500,000
Pneumatic-tube service (New York and Boston)	700,000	744,700	740,000	+40,000	−4,700
Vehicle service	[51] 38,500,000	42,914,000	42,000,000	+3,500,000	−914,000
Transportation of equipment and supplies	[52] 620,000	1,099,000	1,000,000	+380,000	−99,000
Public buildings, maintenance and operation:					
Operating force	44,750,000	44,685,000	44,600,000	−150,000	−85,000
Operating supplies	[53] 6,850,000	7,500,000	7,320,000	+470,000	−180,000
Furniture, etc	750,000	1,185,000	950,000	+200,000	−235,000
Total, Office of Fourth Assistant	119,277,000	133,884,950	131,068,000	+11,791,000	−2,816,950
Total, field service	1,597,976,750	1,702,094,200	1,683,231,750	+85,255,000	−18,862,450
Total, Post Office, departmental	7,956,800	8,550,300	8,037,500	+80,700	−512,800
Total, title II	1,605,933,550	1,710,644,500	1,691,269,250	+85,335,700	−19,375,250
Grand total, titles I and II	1,919,611,950	2,017,626,200	1,981,722,350	+62,110,400	−35,903,850

[1] Excludes $58,600 for activities transferred in the estimates to "Administering the public debt."

[2] Includes $28,600 for activities previously carried under "Printing and binding, Treasury Department."

[3] Estimate of $28,600 for activities previously carried under this item has been transferred in the estimates to "Miscellaneous expenses, Treasury Department."

[4] Includes $527,207 previously carried under other appropriations.

[5] Estimate of $460,000 for activities previously carried under this item has been transferred in the estimates to "Salaries and expenses, Bureau of Accounts."

[6] Estimate of $60,000 for activities previously carried under this item has been transferred in the estimates to "Salaries and expenses, Bureau of Accounts."

[7] Includes $170,000 for activities previously carried under "Printing and binding, Division of Disbursement," and excludes $7,207 for activities transferred to "Salaries and expenses, Bureau of Accounts."

[8] Estimate of $170,000 for activities previously carried under this item has been transferred in the estimates to "Salaries and expenses, Division of Disbursement."

[9] Includes $58,600 for activities previously carried under "Salaries, Division of Tax Research and Research and Statistics."

[10] Includes $140,000 for activities previously carried under "Printing and binding, Office of the Treasurer of the United States."

[11] Estimate of $140,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Office of the Treasurer of the United States."

[12] Includes $4,000 for activities previously carried under "Printing and binding, Bureau of Narcotics."

[13] Estimate of $4,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of Narcotics."

[14] Includes $5,000 for activities previously carried under "Printing and binding, Bureau of Engraving and Printing."

[15] Estimate of $5,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of Engraving and Printing."

[16] Estimate of $86,600 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Secret Service."

[17] Estimate of $1,620,400 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Secret Service."

[18] Estimate of $1,715,000 is a consolidation of "Salaries, Secret Service Division," "Printing and binding, Secret Service Division," and "Suppressing counterfeiting and other crimes."

[19] Estimate of $361,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, White House Police."

[20] Estimate of $9,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, White House Police."

[21] Estimate of $370,000 is a consolidation of the appropriations, "Salaries, White House Police," and "Uniforms and equipment, White House Police."

[22] Estimate of $8,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses Secret Service."

[23] Estimate of $205,650 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of the Mint."

[24] Estimate of $4,691,000 is a consolidation of the appropriations, "Salaries and expenses, Office of the Director of the Mint," and "Printing and binding, Bureau of the Mint."

[25] Estimate of $4,475,350 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of the Mint."

[26] Estimate of $10,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of the Mint."

[27] Estimate is for activities carried in the fiscal year 1948 under "Working fund, Bureau of Federal Supply, 1947," established by transfer from the War and Navy Departments, the U. S. Maritime Commission, and the Reconstruction Finance Corporation.

[28] Includes $123,500 appropriated in Second Supplemental Appropriation Act, 1948.

[29] Includes $350,000 appropriated in Second Supplemental Appropriation Act, 1948.

[30] Includes $55,000 appropriated in Second Supplemental Appropriation Act, 1948.

[31] Second Supplemental Appropriation Act, 1948, provides for 6-percent increase in quarterly apportionments and also 5-percent reduction of appropriation for transfer to other First Assistant Postmaster General field appropriations.

[32] Includes $325,000 appropriated in Second Supplemental Appropriation Act, 1948.

[33] Includes $750,000 appropriated in Second Supplemental Appropriation Act, 1948.

[34] Includes $2,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[35] Second Supplemental Appropriation Act, 1948, provides for 4-percent increase in quarterly apportionments and also 5-percent reduction of appropriation for transfer to other Second Assistant Postmaster General field appropriations.

[36] Includes $37,000 for activities previously carried under "Star route and air mail service, Alaska."

[37] Includes $298,000 appropriated in Second Supplemental Appropriation Act.

[38] Estimates of $1,154,373 for activities previously carried under this item have been transferred to other items.

[39] Includes $300,000 appropriated in Second Supplemental Appropriation Act, 1948.

[40] Includes $100,000 appropriated in Second Supplemental Appropriation Act, 1948.

[41] Includes $10,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[42] Includes $5,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[43] Includes $35,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[44] Includes $10,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[45] Includes $1,117,373 for activities previously carried under "Star route and air-mail service, Alaska."

[46] Includes $2,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[47] Includes $1,221,000 appropriated in Second Supplemental Appropriation Act, 1948.

[48] Includes $400,000 appropriated in Second Supplemental Appropriation Act, 1948.

[49] Includes $3,500,000 appropriated in Second Supplemental Appropriation Act, 1948.

[50] Includes $650,000 appropriated in Second Supplemental Appropriation Act, 1948.

[51] Includes $2,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[52] Includes $100,000 appropriated in Second Supplemental Appropriation Act, 1948.

[53] Includes $100,000 appropriated in Second Supplemental Appropriation Act, 1948.

Mr. CANFIELD. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, this bill which we now have before us, making regular annual appropriations for the Treasury and Post Office Departments for fiscal 1949, comes to the House with a unanimous report again this year, both from the subcommittee and from the full committee. I am very proud of the subcommittee of which I am chairman. We have worked as a team for the past 2 years, no member ever taking a partisan approach, and each striving only to promote the cause of efficient and economical government. Our team will be broken up next year with the retirement from Congress of our senior member, the distinguished gentleman from Illinois [Mr. DIRKSEN]. While his retirement will be a severe loss to the entire country and to the Congress, it will be especially felt on this subcommittee. He has worked long and hard with us, always being a pillar of wisdom to whom the other members repaired for counsel and advice. Despite his illness he was instrumental in forming this bill. His grasp of budgetary problems, his knowledge of governmental activities, and his capacity for work are unsurpassed, and it will be most difficult, if it is possible, to replace him. I understand why Bruce Barton once referred to the gentleman from Illinois, EVERETT DIRKSEN, as a potential Abraham Lincoln.

The ranking minority member of the committee, my good friend and very able colleague, the gentleman from Virginia [Mr. GARY], who can always be counted on to do a thorough and sincere job in and out of Congress, has made great contributions to our work. He brings to the subcommittee a most helpful background of work in the field of taxation, through long practice as a tax attorney and tax official, and his previous service on the House Post Office and Civil Service Committee gives him a knowledge of that Department on which the rest of us frequently call. An outstanding Member of Congress, a true gentleman, I am more than pleased that he serves as ranking minority member of this subcommittee.

The gentleman from Ohio [Mr. GRIFFITHS] and the gentleman from North Dakota [Mr. ROBERTSON], both able and conscientious, are men with practical business experience that makes their contributions to our deliberations invaluable. Both are outstanding public servants, have studied appropriation matters thoroughly and seriously, and are exceedingly well qualified for their assignments. The gentleman from Kentucky [Mr. BATES], a shrewd judge of character, possessor of a grand sense of humor, and endowed with a deep fund of common sense and the ability to get at the roots of our problems; and the gentleman from Washington [Mr. JACKSON], the newest member of the subcommittee, who brings to our sessions unusual legal talents and most helpful experience gained through his service on the House Post Office and Civil Service Committee, have both been faithful partners on our team, and have helped immeasurably in our work.

I also want to express my appreciation, and the thanks of the subcommittee, to our executive secretary, Mr. Claude Hobbs, who came to us last year and in the intervening period has very quickly and completely mastered the intricacies of this type of work, and who has done a most efficient and helpful job. His work has been of the highest caliber, and we are indebted to him.

Mr. Chairman, I have placed in the RECORD, just preceding these remarks, the committee report which accompanies H. R. 5770, the Treasury-Post Office appropriation bill for fiscal 1949. Details of the bill are explained fully therein, and I shall therefore touch only on the high-lights of the measure. The bill carries appropriations of $1,981,722,350 for the two Departments for fiscal 1949. The Budget estimates which were submitted to our subcommittee for consideration totaled $2,017,626,200, so the amount reported represents a reduction in the estimates of $35,903,850.

I want to emphasize the fact that the estimates submitted to us and on which we were empowered to act, under the rules of the House, amounted to only a little more than $2,000,000,000. I say this because of certain irresponsible statements which have appeared in the press during the past 2 days charging that we considered estimates of $11,000,000,000, and could only come up with a saving of a very minor nature. I am surprised that a Member of Congress would make such a statement. It certainly shows a woeful ignorance of the appropriating procedures of Congress.

The Presidential estimates do indicate that the Treasury will spend $9,000,000,000 more in 1949 than this bill covers. The Budget is an expenditure budget. It lists estimated expenditures, not estimated appropriations. It contains items which do not require regular annual appropriations, but which are provided for by permanent appropriations. These permanent appropriations were fixed many years ago by Congress. For example, section 3689 of the Revised Statutes provides out of any moneys not otherwise appropriated, such amounts as may be necessary to pay the interest each year on the public debt. The money does not need to be provided in this bill. The Treasury could pay the interest on the public debt even if the Eightieth Congress failed to pass another appropriation bill. Section 201, title II, of the Social Security Act amendments, approved August 10, 1939, provides that each year amounts equal to 100 percent of the taxes, plus interest and penalties thereon received under the Federal Insurance Contributions Act shall be placed in the Federal Old Age and Survivors Insurance Trust Fund. The Treasury estimates that $1,900,000,000 will be collected this year under this act, and will be paid into the trust fund. This money will be collected and paid into the trust fund even if this Congress fails to pass another appropriation act. In all, the Treasury could spent $9,000,000,000 in fiscal 1949 without any further act of Congress. Indeed, it would require legislation to prevent such expenditures. The appropriations subcommittee is not authorized to consider such legislation. If it were, we could have made reductions of close to $1,000,000,000 in these estimates, for it is obvious, as I shall discuss later, that the President's estimates for such permanent and trust funds appropriations were greatly inflated. This situation, as it regards interest on the public debt, trust funds, and other permanent appropriations, is not at all similar to the situation handled last year in connection with internal revenue refunds and four other indefinite appropriations which were made definite. These were indefinite annual appropriations, not indefinite permanent appropriations.

Two or three years ago Congress decided to place in the bill annual indefinite appropriations covering certain refunding and claims items. For example, the bill would state that for the fiscal year 1947, the Treasury was authorized to expend such funds as might be necessary to refund internal revenue collections. This had to be carried each year. It did not fix any amount, just such funds as might be necessary during a certain year. Last year the committee and the Congress were unanimous in passing the bill; recommended that this annual appropriation be made definite rather than indefinite. It did not change the annual status of the item. Instead of appropriating "such funds as might be necessary during fiscal 1948," it put in a fixed sum for 1948. As I said on the floor of the House at that time, this did not mean the saving of a single dollar to the taxpayers. It merely made for greater budgetary accuracy and clarity. But this fixed sum must appear in the bill each year. While it is not contained in the measure now before us, because the committee feels it advisable to wait until more up-to-date figures are available, such an appropriation for refunding internal revenue collections will be presented to Congress before the start of fiscal 1949.

I regret that it has been necessary for me to take the time of the House to give this somewhat detailed and technical explanation, but I felt it was necessary because of the unfounded statements appearing in the press yesterday. In this instance, I do not criticize the newspapers for printing the statement which was given to them. I do, however, have grounds for criticism of some papers for an entirely erroneous story about this bill which appeared Tuesday evening. As a former newspaperman I realize the difficulties and the tribulations of reporters here on Capitol Hill. I am frequently amazed at their ability to do such an excellent job under existing conditions. They have an enviable record for accuracy and objective reporting. Nonetheless, they do err.

There was a story, in connection with this bill, appearing on page 1 of the Washington Times-Herald of last Tuesday, March 9. The headline reads, "Funds to protect Truman lacking." The lead of the story says:

> President Truman faced the prospect today of being without adequate police protection during his campaign for reelection.

The headline is inaccurate, unfounded, and untrue. This bill gives the Secret Service every penny it requested for fiscal 1949. Secret Service asked for $1,715,000. This bill carries $1,715,000 for Secret Service. If that is not enough money to afford adequate protection for the President, the fault lies not with the Congress, but with the President and the Treasury for not asking for sufficient funds. The Bureau of the Budget, which is a Presidential office, did cut the Service's estimates by $24,000, but directed the cut at nonautomatic promotions. Congress has not cut at all. This bill allows 11 new positions. The Chief of the Secret Service, Mr. Maloney, who is doing an excellent job, and I had the following colloquy during the hearings. It appears on pages 296 and 297. I asked the question:

Mr. Maloney, is the President, in your opinion, receiving adequate protection at the present time?

He answered:

I would say, "Yes." We have cut down, Mr. Chairman, since last year, but I think it is satisfactory.

I then asked:

Will the amount requested for 1949, in your opinion, provide adequate protection to the President during the new fiscal year?

The answer, by the Chief of the Secret Service, was "Yes."

My next question was:

Have ample provisions been made to protect the President during the forthcoming campaign?

Mr. Maloney replied:

I would like to say that if the President is a candidate, I do not believe we can guarantee to keep within the bounds of the money we have requested for 1949.

The Chief did not say he would not have enough money for a campaign. He said he would not guarantee the Secret Service could keep within the bounds of the money requested. Naturally, if Secret Service should find it needed more funds for this purpose, it would come to Congress with a supplemental request, and I feel sure that Congress would be very generous in its treatment of such a request. But now we have provided all that was requested. So the story that adequate funds to protect the President are lacking is not true.

Most of the publicity on the bill has dealt with the report on the Bureau of Internal Revenue. It is a very thorough and comprehensive report. It paints a sordid picture. It exposes waste, inefficiency, corruption, and criminality. I want to compliment our Chief Investigator, Mr. Robert E. Lee. He has done a great job and a dangerous job. His life has been threatened; he has received phone calls threatening to blow his brains out. In spite of that, he and his staff have made a very thorough, impartial study. Mr. Lee served for 10 years with the FBI, holding the title of inspector at the time of his resignation.

I am sure that most of the Members have read the newspaper revelations of this report, so I shall not discuss it in detail. I do want to say that the action which Congress took last year in cutting the Bureau's appropriations by $20,000,000 was fully justified and the report proves it. The President's 1948 budget estimated internal-revenue collections would be $36,200,000,000. When Congress cut the appropriation, the President issued a statement saying it would cause the loss of $400,000,000 in revenue. Instead of that, as Secretary Snyder revealed yesterday, revenue collections have jumped to $40,000,000,000. The report reveals duplication of work, performance of unnecessary and unessential duties, inefficient personnel, and lack of proper supervision. The committee has requested the Hoover Commission on Reorganization of the Executive Agencies to give the highest priority to its study of Internal Revenue. I hope it will be able to find some way to divorce politics from the Bureau. This political control of such a great revenue-raising agency, roundly condemned in the report, is a cancer in the body of our Government. It makes no difference what political party is in control of the Government. Internal Revenue offices should not be the mainspring of the spoils system. It will be extremely difficult to correct the present sordid conditions in the Bureau until this political patronage control is removed. The Commissioner is powerless to enforce his administrative orders on collectors because they are political appointees. Many of the collectors are trying to do a conscientious job. Some, unfortunately too many, look upon their offices merely as a headquarters for their political activities.

Actual criminal violations have come to light in some offices. Some employees have already been convicted. Other questionable practices have been uncovered.

It is indeed a sordid picture, but the most amazing thing about it is that the Bureau has indicted itself. The remarks on the various collectors' offices in the report are not the investigators' but are taken from the reports on file in the Bureau. You can read on pages 88 through 146 of the hearings reports on these collectors' offices, many of them damning, none of them presenting a picture of efficient, outstanding administration. These reports were not written by the Appropriations Committee or its staff. They were written by officials of the Bureau of Internal Revenue, whose job it is to survey field offices and report thereon. These reports were submitted to Washington, and then apparently filed and forgotten. The supervisors reported to Washington last year that there were 714 unsatisfactory or below average employees in various collectors' offices. The Bureau took no action. When questioned in our hearings about these, Bureau officials were not even familiar with the records. In the office in Birmingham, Ala., the supervisor, a Bureau employee, reported that 35 deputy collectors were below average. That report was dated July 9, 1947. As of February 24, 1948, 24 of those 35 below average deputy collectors were still on the rolls. In Louisville, Ky., 14 deputy collectors were reported as below average on March 17, 1947. On February 24, 1948, 12 were still on the rolls as deputy collectors. In Dallas, Tex., the Bureau's supervisor found 30 unsatisfactory deputy collectors. Twenty-two are still deputy collectors. Bear in mind that these below average and unsatisfactory deputy collectors were so marked by Bureau supervisors. The situation in Wilmington, Del., is of interest. The cashier there has recently been convicted and sentenced to prison, having been found guilty of embezzlement. Had the Bureau been alert the man would not have had the opportunity to embezzle for so long a time. The supervisor reported to the Bureau in October 1946 that the cashier was lacking in administrative ability, and did not give him a generally satisfactory report. The Bureau took no action. The assistant cashier, in November 1946 reported to the collector that there were discrepancies in the cashier's accounts. The collector took no action. One month later, in December 1946, the Bureau's auditors went to Wilmington for their regular audit. The collector did not advise them that irregularities had been reported to him, and the auditors did not report any discrepancies. Meanwhile, the cashier was taking funds for his own use, and during the period betwen November 1946 and May 1947 he obtained $2,900. It was not until May 28, 1947, that the collector called in the supervisor and reported the shortages to him. The supervisor immediately wanted to suspend the cashier, but the collector demurred. It was not until June 3, 1947, that the Bureau was notified and the cashier suspended. It had not yet been determined why the collector failed to report the irregularities that had been called to his attention, or why the auditors failed to find the discrepancies that existed at that time. The total shortage amounted to $38,000, covering a period dating back to 1940. That is but one example to show that the Bureau is not alert in protecting the revenues nor efficient in its operations.

As I have said, the Bureau this year brazenly disregarded the directives of the Congress in applying the $20,000,000 reduction in its appropriations, and the evidence, gentlemen, more than justifies the reduction we made. This year the committee has cut the estimates $1,264,000 for 1949, and has written into the bill provisos which assure that the funds will be spent for the purposes intended. Last year no part of the cut was applied to Washington, but was placed entirely in the field. A limitation therefore has been inserted in this bill providing that not to exceed $16,000,000 can be expended for personal services at the seat of the Government. This forces a cut of $530,000 on the Bureau here. A further limitation has been inserted so that not to exceed $18,000,000 may be spent throughout the service for objects other than personal services, which is a reduction of $734,000 from the amount the Bureau requested. As these were the only reductions made the Bureau will not this year be able to reduce the field service or the enforcement arm. It is unfortunate that Congress must spell out for the administrative heads of the executive agencies the manner in which appropriations can be used for the best interests of the country, but such action has been

proven necessary and we would therefore be remiss in our duties if we did otherwise.

I mentioned that savings could be made in some of the estimates for permanent and trust-fund appropriations if the committee had had authority to do so. It appears that the budget estimates of expenditures under permanent appropriations are inflated. These matters are receiving further study, both in the committee and in the Department, but being permanent indefinite appropriations we were powerless to take action in this bill.

When Secretary Snyder was before the committee, he admitted that the budget estimates contained $890,000,000 for accrued interest on savings bonds. While that may be a sound accounting practice, it does not reflect cash expenditures, as do other items in the budget. The basis for asking this money is based on the theory that all holders of savings bonds could come into the Treasury on any one day and redeem their bonds. If they did so, this $890,000,000 would be needed to pay the accrued interest on the bonds. But it is fairly obvious that all bondholders are not going to come in on any one day, or even in any one year, and redeem their bonds. Therefore, this entire amount will not be expended, and the balance will theoretically go into a reserve fund. It is not, therefore, an expenditure in the fiscal year 1949, and should not be shown in an expenditure budget. It is estimated that $469,721,964 of this amount which is charged as interest is actually an increase in the public debt. In a similar category is interest on trust funds not paid out but converted into Treasury bonds, thus adding to the public debt and not a drain on Treasury cash. So also are Federal grants to the various trusts which appear in the budget as cash items but which actually are increases in the public debt. In all, $2,117,713,000 included in the estimates does not represent cash expenditures. This is an increase in the public debt and not a current cash item. It inflates the estimated expenditures by that much.

Another saving that could be made is in the railroad retirement fund. Under the Railroad Retirement Act the entire amount of the railroad tax which goes to the fund becomes available at the beginning of the fiscal year, although the bulk of the tax money does not come into the Treasury until the year is far advanced. Over 27 percent is received during the last quarter. Under the present arrangement the total amount less an agreed amount—$73,416 in 1948—for payment of benefits is converted into 3-percent special bonds which draw interest for the full year. This adds nearly $12,500,000 to the budget. It would not impair the fund nor the payment of benefits to take the more sound position of not paying interest before the principal is collected.

During the past year the average balance in the Treasury exceeded $3,500,000,000. During February and March 1947 it reached $7,000,000,000, and was never below three billion at the close of business for any month. On March 8, last Monday, it was $3,570,000,000. It is not necessary to maintain such large balances in relation to total Government expenditures, and a reduction of each billion dollars of balance by redemption of debt will save $20,000,000 of interest. Savings could be made there if the Treasury so desired.

The Federal trust accounts in the Treasury have grown from $10,000,000,000 in 1942 to $33,500,000,000 as of October 1, 1947. Interest on these funds has grown from $254,500,000 in 1942 to $749,000,000 in 1947, and will be approximately $940,000,000 in 1949. These trusts have grown because of the high interest rate the Government pays, such rate being far out of line with prevailing interest rates on demand deposits and short-term money, because of low demands for benefits, and high Federal grants. The Secretary of the Treasury testified, and we have discussed these problems with him, that the funds are being accumulated in accordance with the statutes passed by Congress. As a result, the money is not now being amassed on an actuarial basis. If it were, the amount of the Federal grants could be reduced considerably, with a resultant savings. This is a matter entirely up to Congress, and it may be that the Treasury will soon make recommendations along these lines. It is estimated that adjustments on these funds could be made, through congressional enactments, which would save an estimated $433,000,000 per year in interest, and $380,000,000 per year in Federal grants, a total estimated savings of $813,000,000 per year. It should also be borne in mind in connection with these trust funds that the cost of servicing them amounts to approximately $14,500,000 per year. These costs are an added charge to the expenses of the Treasury, and consequently to the taxpayers.

The bill we have before us carries appropriations of $1,981,722,350. All regular annual appropriations for the post office are included, but in the case of the Treasury, the committee has left four items for consideration in connection with a future supplemental bill. Two of these agencies, the Coast Guard and Customs, have been the subject of management surveys conducted by outside experts during the past year. The reports of these surveys have only recently been submitted, and consideration of the 1949 estimates was therefore postponed so that the committee could study the reports and the Department would have an opportunity to take necessary steps to institute the suggested programs. Because complete and up-to-date figures are not yet available, the item for refunds of internal revenue collections has also been postponed, as has the item for purchase of strategic and critical materials, which will require considerably more study. Rather than delay action on other items, particularly the Post Office appropriations, it was decided to present this bill at this time and a supplemental bill later. I can assure you that the committee will offer the supplemental bill at the earliest possible date, although it is not possible now to say when that will be.

As the report points out, the two Departments covered are service agencies, and their appropriations are based on demands made on them by the public and by other Government agencies. With these demands at a high level, there is little possibility of making drastic reductions in the budget estimates. The fiscal services of the Government must be maintained, and the mail must be delivered. Therefore, the committee must necessarily limit the reductions it can make to removing waste, duplication, and inefficiency. To the best of our ability this has been done, and it is the unanimous opinion of the subcommittee that this bill will permit efficient and complete service on the most economical basis possible.

This bill contains $290,453,100 for the Treasury Department. This is a reduction of $16,528,600 from the budget estimates, and $23,225,300 less than was appropriated for the corresponding items in the Treasury for 1948.

The largest reduction the subcommittee made in the estimates for the Treasury Department was through elimination of a request to increase the capital of the General Supply Fund, in the Bureau of Federal Supply, by $10,000,000. The committee determined that the Fund was sufficiently capitalized at $8,000,000, which other committee members will explain.

Only three other bureaus or agencies in the Treasury sustained cuts in excess of $1,000,000. One was the office of the Secretary, where reductions in the four items making up the appropriations for the office were cut $1,749,000. However, $1,700,000 of this reduction was applied against two nonadministrative items: Penalty mail a nd refunds under the renegotiation act, on both of which the evidence disclosed tremendous overestimating in past years. Last year renegotiation refunds were overestimated by 750 percent.

The second bureau cut over $1,000,000 was Internal Revenue, which I have already mentioned.

The third large reduction was made against the Bureau of the Public Debt, and amounted to $1,713,000 which on a percentage basis is only a small part of the $53,000,000 granted this Bureau. The committee, however, did not approve entirely of the costly expanded program which the Treasury intended to undertake in connection with the sales of savings bonds.

There can be no argument against the sale of bonds, especially as a move in the fight against inflation, but the committee could not go along with such unfettered spending of the taxpayers' money as proposed. It was felt that just as many bonds could be sold with a more efficient and less-expensive campaign. Other members of the committee will discuss this in more detail.

Reductions in varying amounts were considered possible and were made in most items of the bill, but one item was increased over the estimates. That was for the Bureau of Narcotics, which will receive $16,000 more than requested. This increase was made after careful study, and was based on the necessity,

endorsed particularly by General MacArthur, for acceleration of the fight against the illicit narcotics traffic on foreign fields. This additional money will be used, the Commissioner has assured us, to fight the drug traffic at the source, in the Orient and in Europe. The committee is convinced that it is a very wise expenditure. We have great faith in the Commissioner, Dr. Harry J. Anslinger, a world-renowned authority in this field. The United States is fortunate indeed to have him heading its Narcotics Bureau.

For many years, the Treasury appropriation bill has carried a limitation on the price which could be paid on typewriters purchased by any Government agency. The typewriter companies have been seeking to have such a limitation lifted, and after hearings on the subject last year the committee caused an investigation to be made into the typewriter inventories of the Government. It was learned that on August 15, 1947, there were 848,567 typewriters, both standard and electric, owned by the Federal Government. This would provide one typewriter for ever 2.5 Government employees, and what is even more shocking, 3.6 typewriters for every clerk and typist on the Government rolls. It was also learned that the typewriter companies were not selling the Federal Government because of these price limitations, and that many agencies are purchasing large numbers of electric typewriters, at very high prices, to get around the limitation. Therefore, in view of the great number of typewriters presently at hand, the subcommittee has altered the typeyriter section of the bill to provide that no typewriters, standard or electric, can be purchased by the Government during the fiscal year 1949. It is also provided that should a reallocation of the typewriters on hand be necessary, such emergency transfers as may be necessary can be ordered by the Bureau of Federal Supply. At the suggestion of the gentlewoman from Massachusetts [Mrs. ROGERS] the committee is gladly providing an exception to this prohibition so that Braille typewriters may be furnished blind veterans.

Before turning to the post office appropriations, I would like to take a moment to express the pleasure of the subcommittee, as well as my own, on the appointment of a career man to head the Post Office Department. Personally—and I know the other members of the subcommittee all join me—I want to commend the President for his appointment of Jesse M. Donaldson as Postmaster General. Mr. Donaldson brings to his position not only long and honorable experience in the postal service but also a great love for his work. His is truly an American success story, for he started at the bottom of the ladder, as a substitute carrier, and worked his way to the top. As I told him when he first appeared before the subcommittee in his new capacity, he has an opportunity to become the greatest Postmaster General in our history. He has the heariest and best wishes of the committee and, I am sure, of the Congress.

Mr. Donaldson takes office at a time when the volume of postal business is at an all-time high, and is still moving upward. In the first 6 months of fiscal 1948 postal revenues were up 12.4 percent over the previous year, which itself set new high records. The Christmas mail this last December was 11.08 percent over Christmas 1946. Although the President's budget estimated that the postal deficit would be $325,500,000, the latest estimates are that it will reach $345,000,000. Although revenues are increasing, demands for service are rising even more rapidly, and correspondingly the deficit is becoming greater each year. For the month of December 1947 alone the deficit was $30,000,000. Only first-class mail now shows a profit. The merited and deserved pay increases which our postal workers are now justifiably requesting will, if passed—and I, for one, hope they will be—further increase the deficit. Congress must face this problem in the very near future, and determine whether or not rates will be increased or the deficit continued. The investigation of the post office undertaken by the House Post Office Committee will be helpful. The management survey ordered by the Hoover commission should also be an aid. There is no question but what there are archaic and wasteful practices in the Post Office Department. Elimination of these would reduce the deficit. Elimination of unessential expenditures, which this committee is trying to do, is another method, although service cannot be curtailed, and will not be under this bill. Yet, among other things, pending applications by the railroads for rate increases, and by all the air lines for permanent rates, expenditures are bound to rise. The situation calls for the serious consideration of Congress.

The bill contains $1,691,269,250 for the Post Office Department. Although this is a reduction of $19,375,250 from the estimates, it is $85,335,700 more than has been appropriated for the postal service in 1948. The reduction made in the estimates amounts to only 1.1 percent. As indicated in the report, postal revenues and the volume of mail is at a record high, and still climbing.

The committee, after considering these facts, and in the light of demands from the public for improvements and extensions of service, came to the conclusion that it was not possible to reduce by very much the budget estimates for this Department. Therefore, no reduction was made in the estimates for city delivery, rural delivery, the railway mail service, or star-route service. For such services, the Department has been granted all it requested, which will permit hiring over 4,000 additional people for these services. The reductions that have been made in other estimates are mostly in the administrative branches of the Department, and in the estimates for air-mail service, both foreign and domestic. Reductions in air-mail service funds will not affect present service. However, the subcommittee does not see the wisdom in appropriating large sums, running into tens of millions of dollars, which can be used only if the Civil Aeronautics Board should hand down permanent rates sometime during the year. If the Board should hand down such rates during fiscal 1949, a supplemental appropriation will undoubtedly be required, but the funds granted by this bill are sufficient to operate at present levels and will eliminate the tremendous unobligated balances which have piled up in these air-mail items in recent years, running as high as $19,000,000.

Generally, other reductions have been made possible through the refusal to permit new administrative and clerical positions requested, and the scaling down of nonoperating supplies which the Department desired to purchase.

It is felt that the amount recommended for the post office will be ample to improve the service and to take care of all requirements of the Department which can be foreseen at this time.

This bill is the result of hearings which started last November. Much study and research has gone into it. We of the subcommittee believe it is a fair bill, providing adequate service, yet protecting the taxpayer against unnecessary drains on his pocketbook. I hope the House will pass it in its present form.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Texas.

Mr. TEAGUE. I have received a number of complaints from the post offices in my district that it is impossible to get typewriters. Can the gentleman tell me something about the status of the typewriters in the Post Office Department?

Mr. CANFIELD. Impossible to get typewriters?

Mr. TEAGUE. That is right. Also, some state that these typewriters are 25 and 30 years old, and that they are almost impossible to use.

Mr. CANFIELD. That is very revealing. That is not the testimony before our committee, neither by the Post Office Department nor by the Treasury Department. Our inventory shows there is one typewriter for every 2.5 workers in the Federal service, and there are 3.6 typewriters for every stenographer on the pay roll. I should be glad to go into that situation for the gentleman.

Mr. TEAGUE. I have some correspondence to prove that.

Mr. CANFIELD. I shall be glad to have that correspondence and walk down to the Post Office Department to see what is wrong in your particular city or town.

Mr. TEAGUE. Good. I would like to go with you.

Mr. CANFIELD. There are sufficient typewriters. There are surpluses in all the branches of the executive departments today. There is no question about that.

Mr. TEAGUE. I thank the gentleman.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. ANDERSON of California. The gentleman will recall that on numerous occasions I have discussed with him the difficulties confronting California and other Pactific Coast States as a result of the tremendous increase in popula-

tion during the war and since the war. What consideration did the subcommittee give to that particular subject during the course of the hearings?

Mr. CANFIELD. At the request of the members of the California delegation, particularly the gentleman from California [Mr. ANDERSON], the subcommittee discussed with the Postmaster General the postal service in that particular State. The testimony on that is on page 23 of the hearings. California's population has increased so rapidly—43 percent since 1940—that it makes it a very special problem. I can assure the gentleman that the Post Office Department is doing its best. I think this bill will be helpful in improving service in his State. Postmaster General Donaldson assured the subcommittee that the Department was not stinting the California post offices on their allowances. Their greatest problem is delivery service. Part of this difficulty is because of the shortage of civil-service eligibles. This bill provides for additional personnel. More than 4,000 people can be added to the rolls of carriers and clerks. We have given the post office all the aid they requested for delivery service. We also granted in full the estimates of the electric-car service which is important to mail deliveries in the Los Angeles area; since half of that appropriation goes to the Pacific Electric Railway Co., the railway mail service has been granted its entire request. So no delay should be encountered in that service. The committee has been very generous with the post office, and I can assure the gentleman that this generosity was predicated on the need for public service in California. The bill provides the funds, and I am sure the Postmaster General will do all he can to make the necessary improvements.

Mr. ANDERSON of California. I thank the gentleman for his reply. I note with interest the colloquy that occurred between the chairman and Mr. Donaldson, which appears on page 23 of the hearings and subsequently. I share with the gentleman from New Jersey his admiration for this career man who has become Postmaster General of the United States. I hope, and I think the members of the committee join me in that hope that that will perhaps set a precedent in the appointment of postmasters in the future.

Mr. CANFIELD. I am glad to hear the gentleman from California make that statement, because when Mr. Donaldson appeared before us to justify his request, that is exactly the statement that I made. I said, "This is a precedent which I hope will be maintained in the future." I appreciate the statement made by the gentleman from California.

Mr. ANDERSON of California. I thank the gentleman. I note in this colloquy, particular reference is made to the southern part of the State and Los Angeles. We in the northern part of California acknowledge that there is a Los Angeles and a southern part of our State, but we also must call attention to the fact that these problems which are difficult for the southern part of the State are also indicative of the same difficulties in the northern part of the State. If the gentleman will indulge me for just a moment, may I cite as an example one community or city in my congressional district, San Mateo, Calif., which lies about 25 miles south of San Francisco. In 1930 the postal receipts of that city were $65,000. In 10 years, they increased to $111,000. The postal receipts, in other words, doubled in 10 years. Then from 1940 to 1947 they increased from $111,000 to $286,000, which is almost two and a half times. I call the attention of the gentleman to that, because that is indicative of what is occuring in almost every city and community in the entire State of California. It poses an extremely difficult problem for postmasters in those areas because of the lack of adequate city delivery service and the lack of adequate postal facilities in the post offices themselves.

Mr. CANFIELD. I have spoken personally to Postmaster General Donaldson about the very problem that the gentleman from California is now discussing, as well as the problems that the other gentlemen from California [Mr. BRADLEY and Mr. JOHNSON] also discussed with me and members of our subcommittee. I know he is not going to let your people down. Most certainly we on this subcommittee and the Congress are not going to do that. If supplemental funds are needed, we are going to see that they are granted.

Mr. ANDERSON of California. We deeply appreciate the courtesy that the gentleman from New Jersey and his subcommittee has shown us.

Mr. BRADLEY. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. BRADLEY. I simply wanted to thank the gentleman from New Jersey for the consideration that he and his committee has given to California and to Los Angeles County, where our population is increasing at the rate of 15,000 a month from other parts of the United States.

Mr. CANFIELD. I thank the gentleman.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. JOHNSON of California. I want to concur in some of the statements made by my two colleagues from California. The example cited by the gentleman from California [Mr. ANDERSON] is typical of conditions in my own district. In the town of Fairfield the receipts have gone up 10 times in the last 10 years.

I also want to state that I concur in the view expressed by my colleague the gentleman from California [Mr. ANDERSON] and the gentleman from New Jersey [Mr. CANFIELD] regarding the appointment of career men in postal positions. I intend to make whatever recommendations I have to make in the future of career men whenever they are available to take these positions. That is an incentive that every career man in the Post Office has a right to look forward to and is entitled to, in my opinion. The gentleman knows that in the past, appointments were made on a political basis. There we gave the highest paid position in the Post Office to a man who did not know anything about the postal service and we spent all those high salaries in training him to do the job. I think that in the future we ought to lay down the policy that career men, wherever available, are going to have these top-ranking jobs in the post offices in the United States.

Mr. CANFIELD. I thank the gentleman. I quite agree.

While we are talking about career men, I think in all fairness I should discuss briefly another career man, inasmuch as I have been critical of the Bureau of Internal Revenue. The gentleman who now heads the Bureau of Internal Revenue, Mr. George J. Schoeneman, is a career man. More recently he was an aide secretary to President Truman. The President appointed him to take over Internal Revenue as Commissioner at the beginning of this fiscal year. He had had 25 years of service in that Bureau. We on the subcommittee know something of his background. He is characterful. He is able. He is loyal. He does not like the picture that I described to the House today. He does not like his inheritance. He took over that job at a most difficult time. I talked about it to him in my office on Capitol Hill not so long ago. He felt rather low when he heard some of these disclosures. I said to him then, "You, George Schoeneman, have an opportunity to become the greatest Commissioner of Internal Revenue in history and our subcommittee hopes you do become just that. You can clean up this situation and we want to help you. We are going to help you."

Mr. Chairman, I reserve the remainder of my time.

The CHAIRMAN. The gentleman from Virginia [Mr. GARY] is recognized.

Mr. GARY. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota [Mr. O'HARA]?

There was no objection.

Mr. O'HARA. Mr. Chairman, at various times my colleagues in the House are privileged to have as their guests distinguished groups from their districts. This morning it is my pleasure and honor to have as my guests the choir of the Gustavus Adolphus College, which has come to Washington to give a series of concerts in Washington.

The choir, under the able direction and leadership of Mr. Wilbur F. Swanson, conductor, and Mr. Ren Andersen, as manager, has established an outstanding national musical reputation. The choir will sing at Walter Reed Hospital this afternoon; a concert will be held at the Augustana Lutheran Church this evening at 8:30, and will also sing at Howard University tomorrow.

Tonight's concert has been sponsored by many Members of both the House and

the Senate, as well as many other distinguished and outstanding patrons from diplomatic and official life here in Washington. We, in Minnesota, pridefully claim Gustavus Adolphus College as our own, yet it belongs to the Nation for, by reason of its splendid record of scholastic and educational achievement, it has attracted students from all over the United States. Among its distinguished alumni are our former colleague, the late Oscar Youngdahl, and the present chief executive of Minnesota, Gov. Luther Youngdahl.

It is indeed both a distinguished privilege and a musical treat to have this fine and wholesome group of young men and women from Gustavus Adolphus College as our guests in Washington.

Mr. GARY. Mr. Chairman, I yield myself such time as I may use.

The CHAIRMAN. The gentleman from Virginia is recognized.

Mr. GARY. Mr. Chairman, before discussing the merits of this bill, I would like to pay my respects to the able chairman of our subcommittee, the gentleman from New Jersey [Mr. CANFIELD]. I would like to say to this House that he is one of the finest gentlemen with whom I have had the pleasure of associating. He is an indefatigable worker, and he has given serious and conscientious study to every item of the bill which you are now considering. He has been ably assisted by Messrs. DIRKSEN, GRIFFITHS, and ROBERTSON, the other majority members. My Democratic colleague the gentleman from Kentucky [Mr. BATES] made a distinct contribution to the work of the committee, and although the gentleman from Washington [Mr. JACKSON] did not become a member of the committee until recently, he gives every promise of becoming a valuable member. Frankly, I think that it is an excellent committee, which accounts for the fact that we are presenting a unanimous report insofar as appropriations are concerned.

Our committee was ably assisted by Mr. Claude Hobbs, its executive secretary. Although he is a comparative newcomer to our staff, he quickly mastered the duties of his office. He is a young man of sound judgment and exceptional ability. Moreover, Mr. J. Palmer Murphy, the secretary to our chairman the gentleman from New Jersey [Mr. CANFIELD], was constantly in attendance upon our committee and made a substantial contribution to the preparation of our report.

There have been some substantial cuts in the appropriations of the two departments, but substantial cuts are necessary if we are going to reduce the tremendous Governmental expenditures, which are becoming a severe burden to our people. I do not believe that the reductions which have been made in this bill will seriously impair the efficiency of either the Treasury or the Post Office Departments.

I wish that I could end my remarks here, but certain things have happened in connection with the report of our committee which I do not believe a single member of the committee contemplated or approves. Last year the majority party of the House insisted upon slashing the appropriations for the Bureau of Internal Revenue $30,000,000. Twenty-five million dollars of this amount were restored by the Senate, but a cut of $20,000,000 was finally agreed upon in conference and approved in both Houses. There was tremendous criticism of this action throughout the United States. The people realized that this was the Bureau responsible for ferreting out those unpatriotic citizens who had evaded their taxes even in times of war, and that a $20,000,000 reduction in the appropriations of the Bureau would necessitate the discharge of thousands of investigators, greatly decrease the effectiveness of the Bureau, cause a loss of revenue, and permit a number of evaders to escape their just tax burden.

To counteract this unfavorable political reaction snoopers, which have been dignified with the name of investigators, were sent out to see what they could find on the Bureau of Internal Revenue. They spent, according to their own statement, approximately 700 man-days in their so-called investigation, and what did they find?

For one thing they found—and I quote:

> The present Commissioner is well equipped to do his job.

They could not have found otherwise. The Honorable George J. Schoeneman became Commissioner of Internal Revenue on July 1, 1947, less than 1 year ago. He had previously served for 25 years in the Bureau, during which time he had been Deputy Commissioner and Assistant Commissioner. He left the Bureau in 1945, to accept the position as Administrative Assistant to the President of the United States, which he held until his appointment as Commissioner. He entered upon his duties at one of the most difficult periods in the history of the Bureau.

Mr. Chairman, I can appreciate the magnitude of his task. It was my privilege at one time to serve as the head of the Tax Department of the State of Virginia. I remember how arduous were those duties and yet they were insignificant as compared with the operation of the Federal Bureau which has branch offices throughout the entire United States, is handling over 90,000,000 tax returns and is collecting over $43,000,000,000 a year. Incidently, the cost of collecting this revenue was 43 cents per $100, as compared with $2.17 per $100 in 1932, the last year of the previous Republican regime.

The new Commissioner has had his problems. He testified before our committee as follows:

> We were also faced with another difficult personnel problem, by reason of the necessity of bringing our force in line with civil-service requirements. I am in full accord with the objectives of these requirements, but we cannot ignore their effect upon our administrative problems. We now have approximately 11,915 war-service appointees, who must qualify through competitive examinations if they wish to retain their positions. This means that many are likely to be displaced by other persons with little or no training for our work. Many have already been displaced by civil-service employees from other agencies. The resulting atmosphere of uncertainty and fear of dismissal tends to reduce efficiency and morale. In the face of this situation, many of the more promising and aggressive of our war-service appointees are leaving the service to accept offers in private industry.

It is inevitable that instances of inefficiency will exist in an organization of this magnitude, where so many of its employees have no security in their employment.

But let us consider specifically what the investigators found. They discovered in the basement of the Bureau building in Washington, five empty whisky bottles. Four of them were pint bottles, one a quart. Three were in one place, two in another. The investigators considered them of such importance that they took pictures and presented them to our committee. There was no evidence as to who placed them there. They could just as easily have been placed there by custodial employees of the Public Buildings Administration, or others who had access to the building. But this has been used as evidence to indict a Bureau of 50,000 employees of drinking on the job. The charge is, of course, ridiculous and the attempt to smirch the name of the Bureau on the basis of such evidence is inexcusable.

Again, the investigators complained of a snack bar. One little snack bar for 5,000 people in the Bureau building in Washington. It is not large enough to accommodate more than 100 people at any one time. Suppose everyone who went there spent as much as 20 minutes.

In the 5 hours that it is open it could not possibly accommodate more than a fraction of the Bureau employees even if it were filled to capacity at all hours, which I am sure that it is not. Why single out the Bureau of Internal Revenue in this respect, when every department of the Government, including our own legislative branch, maintains these quick-lunch counters for its employees. Not only is it the rule of government, but of private industry as well.

The Training Division of the Bureau is criticized. Some employees, it is said, are far behind in returning their work papers in correspondence courses pursued by them for their own improvement. These employees are trying to train themselves to perform more technical work as well as to improve their efficiency in their particular jobs. True some of them are late in getting their papers back, but after all this work is done on their own time and not the Government's time. They are not paid overtime wages to improve their knowledge. The surprising part is not that there are many who are late in getting in their papers, but rather that there are so many who have the ambition and energy to devote their off hours to serious study.

Criticism was directed at the fact that two women employees in Newark, N. J., in order to report completion of their daily quota of work, had thrown 400 tax returns down a drain pipe. These women were discharged from the Department, prosecuted, convicted, and sentenced in the courts. What more could the Department have done?

It is pointed out that in Hartford, Conn., officials in the office of the collector of internal revenue had been in-

dicted for violations of the Hatch Act. That the cashier in the office of the collector of internal revenue in Wilmington, Del., was recently convicted of embezzlement. It would seem from these citations that the Bureau has been alert in discovering wrongdoing, and prompt in bringing the culprits to justice.

Many of the so-called findings of the so-called investigators are based on confidential reports of the Bureau's own field offices in which, as a matter of long-established practice, conditions which appear to need correcting are called to the attention of the officials in Washington. To facilitate proper action, absolute frankness is the rule in the preparation of these reports. They are departmental memoranda for the use of Bureau officials and it is necessary to detail names and circumstances in order that a fair appraisal may be made. Manifestly, these reports are not written with a view toward publication. If they were, they would not serve the purpose intended. Many of these reports have been reproduced in full and released to the public press, to the injury of some faithful employees in the eyes of their associates as well as in their community.

In fact, Mr. Chairman, this political smear of the Bureau of Internal Revenue has done more to destroy the morale and efficiency of that Bureau than the $20,000,000 cut in revenue did last year. Cooperation of taxpayers is an essential element in the collection of taxes. We have close to 60,000,000 people in this country who pay one or more types of Federal taxes. Many of these taxes are complex in character and require a considerable amount of cooperation and patience in their declaration and payment. Millions of these people are this very day standing in long lines in every major revenue office throughout the country seeking assistance in the filling out of tax forms.

Unwarranted charges such as those which have been broadcast throughout the land shake the confidence of our people in the Bureau and in their Government. Moreover, they discredit the efforts of approximately 50,000 employees of the Bureau, who through the years by their industry, impartiality, and devotion to duty have built up a reputation for honesty and efficiency, of which they are justly proud. It is deplorable that this reputation has been besmirched on such flimsy and trivial evidence.

Mr. CANFIELD. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. BREHM].

Mr. BREHM. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BREHM. Mr. Chairman, first I want to congratulate Mr. J. A. Krug, Secretary of the Interior, and Mr. Newton B. Drury, Director of the National Park Service, for so wisely spending part of the money which we appropriated for printing, in publishing the duofold describing and illustrating the Mound City Group National Monument which is located in Ross County and which is one of the five counties comprising the congressional district which I have the honor to represent. I am pleased that public attention is thus being focused on this prehistoric group of Indian mounds in southern Ohio and I sincerely trust that the time is not far distant when some of the artifacts which have been removed from these mounds and which are at present reposing in the Ohio State Museum will be returned to the place from whence they came and displayed in a suitable museum which we hope to see erected at the site of the Mound City National Monument. I am pleased to report, Mr. Chairman, that plans for a suitable museum building are included in the master plan of the National Park Service and I sincerely trust that material costs and a scarcity of materials may soon be overcome, and that the Congress will see fit to appropriate sufficient funds in order to construct a suitable building at this site and thus perpetuate this historic landmark to future generations.

Of course, Mr. Chairman, it is impossible to include with my remarks the illustrations and photographs accompanying this duofold or the map drawn by Mr. H. L. Golder. However, I do want to include the written portion and sincerely trust that those who are interested in our historic landmarks will take the time to not only read a description of this historic site but also to stop and pay us a visit on their way through Chillicothe, Ohio:

MOUND CITY GROUP NATIONAL MONUMENT—A PREHISTORIC GROUP OF INDIAN MOUNDS IN SOUTHERN OHIO

THE HOPEWELL PEOPLE

Before the first white man set foot upon the Western Hemisphere, over 450 years ago, an Indian civilization, scattered over the region of the Mississippi River and its tributaries and now referred to as the Hopewell culture, had flourished and disappeared. The term "Hopewell", which archeologists have assigned to these prehistoric Indians, comes from the Hopewell mound group, located in Ross County, Ohio, not far from Mound City Group National Monument. Being the first remains of its kind to be explored, the name of this site came to be applied to all other remains of the same prehistoric culture. The origin of the Hopewell people, one of the most advanced prehistoric societies north of Mexico, is not known, but probably as early as 1000 A. D. they had developed their highly specialized civilization in the area of southern Ohio.

The Hopewell people are best known for their high artistic achievements and for their practice of erecting mounds of earth over the remains of their dead. From the extraordinary wealth of burial offerings found in the mounds, archeologists have learned a great deal about these prehistoric people. They were outstanding among the American Indians as artists and craftsmen, and worked with a great variety of material foreign to Ohio. Copper from the Lake Superior region was used for breastplates, head-dresses, earspools, and other ornaments and ceremonial objects. Stone tobacco pipes were beautifully carved to represent the bird and animal life around them. From obsidian, a volcanic glass brought from the Rocky Mountain region, they made delicately chipped ceremonial blades. Fresh water pearls from local streams, quartz and mica from the Allegheny Mountains, ocean shells from the Gulf of Mexico, grizzly bear teeth from the West, all were used in making the beautiful and elaborate pieces buried with the dead. Pottery of excellent workmanship was made, and even woven fabric of bark and other wild vegetable fibers has been found, preserved through contact with copper objects. Animal bone was used extensively, and wood must also have been important in the manufacture of implements and utensils.

The Hopewell people apparently lived in small villages near rivers and streams, often some distance from their mounds, which must have been used chiefly as ceremonial centers. Though it is believed that they knew how to raise corn and may have had simple gardens, their diet was augmented by the hunting of wild animals and the gathering of wild fruits and vegetables. Though their culture was widespread, and made use of materials obtained by travel and trade in distant parts of North America, the evidence of their remains suggests that they were a peaceful and more or less sedentary people. Possibly this was one of the reasons for the disappearance of their culture. But whether it was due to conquest by more warlike tribes, or disintegration from within, or a combination of various factors, the Hopewell culture flowered for a period and then passed away.

EXPLORATION AND EXCAVATION OF MOUND CITY

The Mound City group consists of a rectangular earth enclosure approximately 13 acres in extent, within which are located 24 burial mounds. The earth walls of the enclosure vary in height from 3 to 4 feet, with an entrance or gateway on both the east and west sides. The largest mound in the group was described by early observers as 17½ feet high and 90 feet in diameter, but it is somewhat smaller today. All the mounds are conical in shape, with the exception of one which is elongated. Just outside the enclosure are two additional mounds, and several depressions from which material was taken for constructing the walls and mounds.

The site was mapped and partially excavated in 1846 by two explorers, E. G. Squier and E. H. Davis. The results of their extensive survey of prehistoric earthworks, Ancient Monuments of the Mississippi Valley, appeared in 1848 in the first publication of the newly founded Smithsonian Institution. Although many of the mounds had been noticed by earlier explorers, the work of Squier and Davis was the first detailed study of the prehistoric structures in the Mississippi Valley, and is a milestone in American archeology.

The excavations at Mound City by Squier and Davis produced a great many spectacular objects, most interesting of which were a large number of stone tobacco pipes, many being realistically carved in the images of birds, animals, and the human head. These objects, first acquired by the Blackmore Museum, in England, were later transferred to the British Museum, London.

During the First World War the area comprising Mount City was occupied by Camp Sherman. At the close of the war the Ohio State Archeological and Historical Society in 1920 and 1921, conducted extensive excavations at the site, supplementing the information secured by Squier and Davis. A few years later the society restored the earthworks to their present appearance and developed the tract into a State memorial. The final excavation of the site by the society brought to light many interesting details of the construction and purpose of the mounds, and yielded many fine artifacts typical of the Hopewell culture. Examples of these objects, now on exhibit in the Ohio State Museum at Columbus, are shown in the accompanying illustrations.

Since Mound City was primarily a ceremonial center for the disposal of the dead, much of the information obtained from its excavation concerns the burial customs of the people. The site of each mound was originally occupied by a wooden structure, which

was probably the scene of the last rites for the body. It is believed that after a suitable period of use this structure, probably a mortuary temple, was intentionally burned, perhaps with the idea of purification, or of allowing the spirit of the dead to escape to the spirit world. Then over the bones and the offerings left with the dead the mound was erected. This was a considerable task when one remembers the simple tools and equipment used by the Indians. Using only digging sticks, or hoes of shell or animal shoulder blades, they scraped up the earth, carried it in baskets or skins, and dumped it, load by load, on the slowly growing mound. It is obvious that only a small percentage of the Hopewell dead were buried in mounds, an honor possibly accorded only to persons of high rank.

Archeologists discovered, in excavating Mound City, that they were not the first to disturb these ancient remains. In many of the mounds were found instrusive burials of another prehistoric people, accompanied by artifacts quite distinct from those of the Hopewellians. Another group of Indians had found the mounds a convenient and suitable place for the burial of their dead, and then they too left the region well before the white man came.

MOUND CITY GROUP NATIONAL MONUMENT

The 13-acre mound area and surrounding property, including 57 acres in all, was established as Mound City Group National Monument on March 2, 1923, by Presidential proclamation. Although Federal jurisdiction was transferred from the War Department to the National Park Service of the Department of the Interior in 1933, the Ohio State Archeological and Historical Society continued to administer the area until August 1, 1946.

It is now one of the many areas of the National Park System, part of our national heritage, owned by the people of the United States and administered for them by the National Park Service. These outstanding scenic, historic, and scientific areas are to be found in all sections of the country, and are protected and preserved for the benefit and enjoyment of the people.

Among the sites of prehistoric remains included in the National Park System are Ocmulgee National Monument at Macon, Ga., another great mound-builder site, and a number of outstanding ruins in the Southwest, most famous of which is Mesa Verde National Park, Colo.

HOW TO REACH THE MONUMENT

Mound City Group National Monument is situated on the west bank of the Scioto River, 4 miles north of Chillicothe, Ohio. In leaving Chillicothe, the monument is reached by following United States Highway 35 and State Highway 104.

NEARBY POINTS OF INTEREST

Southern Ohio is very rich in prehistoric Indian sites, some of the Hopewell culture, and some of other mound-builder cultures. A number of the most interesting of these have been set aside as State memorials under the custody of the Ohio State Archeological and Historical Society, including Fort Ancient, Fort Hill, Miamisburg Mound, Newark Earthworks, Seip Mound, and Serpent Mound.

Interesting historical and archeological exhibits are contained in the museum of the Ross County Historical Society in Chillicothe. At the Ohio State Museum, Columbus, many of the objects excavated at Mound City and other Hopewell sites are on display.

In the former Camp Sherman reservation, near Mound City, are two interesting Federal institutions. One, the United States Industrial Reformatory, is a model correctional institution; the other, the United States Veterans' Hospital No. 97, has been in operation since World War I. This area has a long military history, Camp Sherman being preceded by Camp Logan of the Civil War and Camp Bull of the War of 1812.

SERVICE TO THE PUBLIC

Mound City is open to the public, free of charge, throughout the year, from 9 a. m. until dark. Information and literature relating to the area may be secured without charge at the monument office. Organizations and groups will be given special service if arrangements are made in advance with the custodian. Archeological exhibits and other interpretive facilities are being planned for the benefit of the visitor.

Communications or inquiries concerning the monument should be addressed to the Custodian, Mound City Group National Monument, Chillicothe, Ohio.

(Mr. BREHM asked and was given permission to revise and extend his remarks.)

Mr. GARY. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Mrs. DOUGLAS].

(Mrs. DOUGLAS asked and was given permission to revise and extend her remarks.)

Mrs. DOUGLAS. Mr. Chairman, we talk so much about billions these days that sometimes we forget from where these billions come. They come from the people and the people need some consideration at this point. Shortly we will take up rent control in this House. I should like to read to the Members a resolution that was recently adopted by the United States conference of mayors:

Whereas throughout most of the cities of the United States there exists a drastic housing shortage; and

Whereas it is the consensus of opinion of the larger cities of the United States that if rent control is discontinued a serious inflation in housing rentals would result; and

Whereas such an inflation would work a hardship, particularly upon veterans and their families: Now, therefore, be it

Resolved, That the United States conference of mayors here assembled in annual conference urgently petition the Congress of the United States to extend the expiration date of the present Rent Control Act until present housing-shortage conditions are eliminated.

I call attention to the fact that I am today introducing a rent-control bill which I feel would provide an adequate program if we are to extend rent controls until the housing shortage has been solved. Last year we were presented with a rent-control bill at the last minute. Neither Congress nor the President were given time to properly study a very bad bill.

In the hope that we can avoid this last minute approach to one of the most pressing problems in our economy, I have made a study of the present law under which we operate and have analyzed the rent-control bill which just passed the other body.

I wish to call the attention of the Members to the fact that as yet we have not worked out a rent-control program to meet the needs of the country.

I am today introducing my bill in the hope that if there are shortcomings in the committee bill, they can be rectified on the floor of the House. I hope that the Members will give some study to the rent-control bill which I am introducing.

Important as ERP is to the peace of the world, it is not the immediate problem that confronts Mr. Brown and Mrs. Jones in our districts at home. What people down at the grass roots are confronted with are high prices and a short budget. This is the number one problem we will be asked to account for in the coming election.

We cannot possibly, if we begin a great over-all housing program today, eliminate the housing shortage in less than 2 years. To come in with a rent-control act that extends rent control for 1 year is, to put it very politely, unrealistic, and to put it very bluntly, political chicanery.

I am introducing today a rent control bill based on the experience we have had with the present law which has proved weak and unequitable. S. 2182 just passed by the other body is likewise inadequate.

My bill would extend rent control until June 30, 1950, at which time, if we immediately undertake a real housing program, the critical shortage may be ended.

My bill provides for full criminal and civil enforcement sanctions. Without enforcement we cannot have effective rent control.

My bill would again provide rent controls for permanent tenants living in residential and apartment hotels, and for tenants living in accommodations created by new construction and conversion of old units; for tenants in accommodations held off the market between February 1945 and February 1947, thus providing protection for the several million persons whose dwelling units were decontrolled by the 1947 law.

Included in this group are the 1,600,000 families whose homes were decontrolled this past January by the so-called voluntary lease device; 1,250,000 families living permanently in residential and apartment hotels, motor courts, tourist homes, and trailer camps and the thousands of tenants living in new units created by new construction and conversion of old units.

This bill will provide protection for tenants from unwarranted evictions by requiring the landlord to give notice when eviction is sought to the local rent control office. This permits the local rent attorney to bring to the attention of the local court illegal evictions.

In those cases where eviction is not the result of the shortcomings of the tenant but for reasons beyond his control, such as eviction for occupancy by the landlord or a member of his family or by a purchaser or for remodeling, a 90-day waiting period is provided the tenant in which to find other shelter.

This should ease the present heartbreaking and chaotic desperation in which thousands of tenants find themselves. This condition is colorfully described in a recent letter I received from a constituent who said, "but eviction with no place to go is appalling and disastrous to one's physical and mental condition and has a destructive effect on the United States when this condition is prevalent throughout the country."

My bill also eliminated the 15-percent rent increases imposed on tenants by the so-called voluntary leases and rolls back these rents to their previous ceilings.

It is generally agreed that to remove rent control in the face of the present housing shortage would be disastrous. This need is recognized by the resolution calling for a continuance of rent control by the United States Conference of Mayors.

If we are to have rent control it should be on a basis which treats all landlords and tenants alike. The other body in considering this question was faced with the dilemma of either permitting more 15-percent leases to be imposed on some more tenants or eliminating those rent increases imposed by the 1947 law. The other body chose to open the gates to more rent hikes by the lease device. I say this scheme was bad under the 1947 law, and I can see no reason to perpetuate it. If all landlords and tenants are to be treated generally alike we must eliminate these rent increases.

If Congress thinks that rents should be raised 15 percent across the board why does it not have the courage to openly say so and provide for a 15 percent rent raise, rather than this half-baked unjust 15 percent lease device, which rightly creates such resentments among both landlords and tenants?

My bill follows:

H. R. 5823

A bill to continue rent control until June 30, 1950, and for other purposes

Be it enacted, etc., That this act may be cited as the Housing and Rent Extension Act of 1948.

SEC. 2. The provisions of the Housing and Rent Act of 1947 are amended by inserting the following immediately preceding title I, amendments to existing law:

"DECLARATION OF PURPOSES

"This act is hereby declared to be in the interest of the national defense and security and necessary to the successful completion of the present war. The Congress recognizes that an emergency exists with regard to housing accommodations due to the acute shortage of all types of housing, and especially rental housing.

"The purposes of this act are, during the transition period from war to peace, to stabilize rents for housing accommodations and prevent speculative, unwarranted, and abnormal increases in rents for such accommodations; to prevent unwarranted evictions because they would cause grave hardship to tenants and because unlimited evictions would render it extremely difficult to control rents; to protect persons with relatively fixed and limited incomes, consumers, wage earners, investors, and veterans and other persons dependent on life insurance, annuities, pensions, and allowances granted to veterans attending school or learning trades, from undue impairment of their standard of living; to prevent the disruption of production due to the inability of employees to find adequate housing; to conserve scarce building materials for housing and other essential construction; and to assist veterans to obtain adequate housing for themselves and their families."

SEC. 3. Section 1 (b) of title I of the Housing and Rent Act of 1947 is amended by inserting the following new paragraph (2) at the end of paragraph (1) thereof and numbering the old paragraphs (2) and (3) as paragraphs (3) and (4), respectively:

"(2) Whenever in the judgment of the Rent Administrator there is, or is likely to be, a shortage in the supply of any materials or facilities needed for an increased supply of housing accommodations, he may by regulation or order allocate, or establish priorities for the delivery of, such materials or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to increase the supply of housing accommodations. The Rent Administrator may exercise any power or authority conferred upon him by this paragraph through such department, agency, or officer as he shall direct."

SEC. 4. Section 4 of title I of the Housing and Rent Act of 1947 is amended by substituting "June 30, 1950" for "April 1, 1948" wherever the latter date appears in said section.

SEC. 5. Title II of the Housing and Rent Act of 1947, is amended by striking out the subtitle "Declaration of Policy" and by striking out all of section 201 and in lieu thereof inserting the following:

"SEC. 201. The title "Housing Expediter" and the name "Office of Housing Expediter" referred to in the Veterans' Emergency Housing Act of 1946, as amended, and in the Housing and Rent Act of 1947, as amended, are hereby changed, respectively, to "Rent Administrator" and "Office of Rent Control": *Provided, however,* That the powers, duties, and functions of said official and of said agency under the above or any other laws or Executive orders shall in no way be enlarged, diminished, or otherwise affected by virtue of such change of names: *And provided further,* That any regulation, order, contract, or other action made, prescribed, issued, granted, or performed by or in respect of said official or agency shall (except to the extent expressly rescinded, modified, superseded, or made inapplicable by or under authority of law) have the same force and effect as if such change of names had not been made: *And provided further,* That no suit, action, or other proceeding commenced by or against said official in his official capacity or said agency shall abate by reason of such change of names; that judicial notice of such change of names shall be taken in all such suits, actions, or proceedings; and that said official and agency shall not be required to give notice to any party to such suit, action, or proceeding, or to any other person of said change of names."

SEC. 6. Section 202 of the Housing and Rent Act of 1947 is amended in the following respects:

(a) Clause (1) of paragraph (c) is amended by striking out the first word "those" and inserting after the word "accommodations" the following: "(other than dwelling units occupied by nontransient tenants)."

(b) Clause (2) of paragraph (c) is amended to read as follows:

"(2) any housing accommodation in any motor court, tourist home, or trailer camp (including trailer space) when such accommodation is occupied by a transient guest."

(c) by striking out Clause (3) in its entirety.

(d) by adding at the end thereof the following new paragraph:

"(f) The term 'district court' means any district court of the United States and the United States court for any Territory or other place subject to the jurisdiction of the United States."

SEC. 7. Section 204 of the Housing and Rent Act of 1947, as amended, is amended in the following respects:

(a) by striking out the language "March 31, 1948" and in lieu thereof inserting "June 30, 1950",

(b) paragraph (b) is amended to read as follows:

"(b) During the period from the effective date of this act and ending on the date this act ceases to be in effect, the maximum rents for controlled-housing accommodations, unless and until changed by the Rent Administrator in accordance with subparagraph (5) of this paragraph, shall be the rents fixed by the Rent Administrator determined as follows:

"(1) For housing accommodations for which a maximum rent was in effect on March 31, 1948, the maximum rent shall continue to be such maximum rent;

"(2) For housing accommodations not included within the definition of 'controlled housing accommodations' as this definition read prior to amendment, the maximum rent shall be the higher of (a) the rent generally prevailing in the defense-rental area for comparable accommodations on the maximum-rent date for such area, plus due allowance, where new construction is involved, for general increases in the cost of construction in the area from 1939 until the date the construction is or was completed; (b) the maximum rent last in effect for such housing accommodations under Federal rent control.

"(3) For housing accommodations which were exempted from control pursuant to the second proviso to section 204 (b) of the Housing and Rent Act of 1947, as amended, as section 204 (b) read prior to amendment by the Housing and Rent Extension Act of 1948, the maximum rent shall be the last maximum rent in effect for such housing accommodations under Federal rent control prior to the execution of the lease under section 204 (b): *Provided, however,* That the landlord may continue to charge the rent specified in a lease complying with section 204 (b), prior to amendment, for the entire month in which this act takes effect.

"(4) For housing accommodations recontrolled pursuant to the provisions of subsection (e) of this section, the maximum rent shall be the maximum rent established by the Rent Administrator in the order or regulation of recontrol.

"(5) The Rent Administrator may, by regulation or order, make such adjustments in the maximum rents established under subparagraphs (1), (2), (3), and (4) of this subsection (b) as may necessary to carry out the purposes and provisions of this title."

(c) By striking out the language of paragraphs (c), (d), (e), and (f) in their entirety and in lieu thereof inserting the following:

"(c) Notwithstanding the provisions of subsection (a) of this section, the Rent Administrator shall make general adjustments in the maximum rents in effect or established in any defense-rental area for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes, other costs, or income, within such defense-rental area, whenever in his judgment the maximum rents in the area are not generally fair and equitable to landlords of any substantial and well-defined class of housing accommodations. For the purpose of making such determinations the Rent Administrator shall, from time to time, cause accounting surveys of operating experience under rent control to be made in the various defense-rental areas and he shall compare the operating experience of landlords under rent control with their operating experience in the years 1939 and 1940.

"(d) Notwithstanding the provisions of subsection (a) of this section, the regulations and orders of the Rent Administrator may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions as in his judgment are necessary or proper in order to effectuate the purposes of this act.

"(e) Whenever the Rent Administrator finds with respect to any substantial and well-defined class of housing accommodations in any defense-rental area, whether or not previously controlled or decontrolled, that (1) the demand for such accommoda-

tions is in excess of the supply, and (2) that the rents for such accommodations have risen or are threatening to rise in a manner inconsistent with the purposes of this act, and (3) that local governmental officials are unable or are unwilling to stabilize rents at levels consistent with the purposes of this act, he may by regulation or order establish such maximum rents for such accommodations as will in his judgment be generally fair and equitable and will effectuate the purposes of this act: *Provided, however,* That if the accommodations brought under control have previously been decontrolled, the Rent Administrator shall not establish new maximum rents for them which are lower than the last maximum rents they had when previously controlled.

"(f) Whenever the Rent Administrator finds with respect to any substantial and well-defined class of housing accommodations in any defense-rental area that (1) the supply of such accommodations is substantially in balance with demand, and (2) that the removal of rent control will not result in rent increases inconsistent with the purposes of this act, he is authorized and directed, by regulation or order, to remove such accommodations from control.

"(g) The Rent Administrator is authorized and directed to create in each defense-rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are citizens of the area and who as a group are representative of the affected interests in the area, to be appointed by the Rent Administrator, from recommendations made by the respective governors: *Provided,* That in any case where the governor has made no recommendations for original appointments to local boards or appointments to fill vacancies, within 30 days after request therefor (subsequent to March 31, 1948) from the Rent Administrator, the Rent Administrator shall without such recommendations appoint the original members of such boards or such members as may be required to fill vacancies. The Rent Administrator shall immediately subsequent to March 31, 1948, screen the membership of the boards to determine if their membership complies with the standards set forth in this section and shall promptly take steps to effectuate any change in the membership of any board necessitated by this provision.

"(h) The Rent Administrator shall furnish the local advisory boards suitable office space and stenographic assistance and shall make available to such boards any records and other information in the possession of the Rent Administrator with respect to the establishment and maintenance of maximum rents for housing accommodations in the respective defense-rental areas which may be requested by such boards.

"(i) The local advisory boards shall have the following powers: (1) To make recommendations to area rent offices for increases or decreases in maximum rents in individual adjustment cases; (2) after public hearings, to make recommendations to the Rent Administrator with respect to the decontrol of the defense-rental area or any portion thereof; (3) after public hearings, to make recommendations to the Rent Administrator with respect to the adequacy of the general rent level in the area; (4) to make recommendations with respect to the operations generally of the area rent office, with particular reference to hardship cases; (5) to exercise such functions for educational, administrative, and compliance purposes as are delegated by the Rent Administrator.

"(j) Within 30 days after receipt of any recommendation of a local advisory board, such recommendation shall be approved or disapproved or the local board shall be notified in writing of the reasons why final action cannot be taken in 30 days. The Rent Administrator or any area rent director receiving a recommendation from a local advisory board shall give full and careful consideration to such recommendation and to any data accompanying it, but the responsibility for deciding any matter so presented shall rest solely with the Rent Administrator or the area rent director, as the case may be."

SEC. 8. Section 205 of the Housing and Rent Act of 1947 is amended in the following respects:

(a) by striking out the subtitle "Recovery of Damages by Tenants",

(b) by striking out the language of the section in its entirety and in lieu thereof inserting the following:

"SEC. 205. (a) The Rent Administrator is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary or proper to assist him in prescribing any regulation or order under this act, or in the administration and enforcement of this act and regulations thereunder.

"(b) The Rent Administrator is further authorized, by regulation or order, to require any person who rents or offers for rent or acts as broker or agent for the rental of any housing accommodations, to furnish any such information under oath or affirmation or otherwise, to make and keep records and other documents, and to make reports, and he may require any such persons to permit the inspection and copying of records and other documents, and the inspection of defense-rental area housing accommodations. The Rent Administrator may administer oaths and affirmations and may, whenever necessary, by subpena require any such person to appear and testify or to appear and produce documents, or both, at any designated place.

"(c) For the purpose of obtaining any information under subsection (c), the Rent Administrator may by subpena require any other person to appear and testify or to appear and produce documents, or both, at any designated place.

"(d) The production of a person's documents at any place other than his place of business shall not be required under this section in any case in which, prior to the return date specified in the subpena issued with respect thereto, such person either has furnished the Rent Administrator with a copy of such documents (certified by such person under oath to be a true and correct copy), or has entered into a stipulation with the Rent Administrator as to the information contained in such documents.

"(e) In case of contumacy by, or refusal to obey a subpena served upon, any person referred to in subsection (e), the district court for any district in which such person is found or resides or transacts business, upon application by the Rent Administrator, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such ocurt as a contempt thereof. The provisions of this subsection shall also apply to any person referred to in subsection (d).

"(f) Witnesses subpenaed under this section shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

"(g) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U. S. C., 1934 ed., title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege.

"(h) Any person subpenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

SEC. 9. Section 206 of the Housing and Rent Act of 1947 is amended by striking out the entire language of the section and in lieu thereof inserting the following:

"SEC. 203 (a) It shall be unlawful, regardless of any contract, agreement, lease, or other obligations heretofore or hereafter entered into, for any person to demand or receive any rent for controlled housing accommodations, or otherwise to do or omit to do any act, in violation of any of the provisions of this act, or of any regulations, orders, or requirements thereunder, or to attempt or agree to do any of the foregoing.

"(b) It shall be unlawful for any person to remove or attempt to remove from any controlled housing accommodations the tenant or occupant thereof or to refuse to renew the lease or agreement for the use of such accommodations, because such tenant or occupant has taken, or proposes to take, action authorized or required by this act or any regulations, order, or requirement thereunder.

"(c) It shall be unlawful for any officer or employee of the Government, or for any adviser or consultant to the Rent Administrator in his official capacity, including members of local advisory boards, to disclose, otherwise than in the course of official duty, any information obtained under this act, or to use any such information for personal benefit.

"(d) Nothing in this act shall be construed to require any person to offer any housing accommodations for rent.

"(e) Whenever in the judgment of the Rent Administrator any person has engaged or is about to engage in any act or practice which constitutes or will constitute a violation of the provisions of Section 206 of this Act, he may make application to any Federal, State, or Territorial court of competent jurisdiction, for an order enjoining such act or practice, or for an order enforcing compliance with such provision, and upon a showing by the Rent Administrator that such person has engaged or is about to engage in any such act or practice a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"(f) Any person who willfully violates any provision of section 206 of this act, and any person who makes any statement or entry false in any material respect in any document or report required to be kept or filed pursuant to any regulation or order issued under section 205 of this act shall, upon conviction thereof, be subject to a fine of not more than $5,000, or to imprisonment for not more than 2 years in the case of a violation of subsection (c) of this section and for not more than 1 year in all other cases, or to both such fine and imprisonment. Whenever the Rent Administrator has reason to believe that any person is liable to punishment under this paragraph, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"(g) The district courts shall have jurisdiction of criminal proceedings for violations of this section, and, concurrently with State and Territorial courts, of all other proceedings under section 206 of this act. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found: *Provided, however,* That all suits under paragraph (1) of this section shall be brought in the district or county in which the defendant resides or has a place of business, an office, or an agent. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings

brought before it under this section. No costs shall be assessed against the Rent Administrator or the United States Government in any proceeding under this act.

"(h) No person shall be held liable for damages or penalties in any Federal, State, or Territorial court, on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this act or any regulation, order, requirement, or agreement thereunder, notwithstanding that subsequently such provision, regulation, order, requirement, or agreement may be modified, rescinded, or determined to be invalid. In any suit or action wherein a party relies for ground of relief or defense upon this act or any regulation, order, requirement, or agreement thereunder the court having jurisdiction of such suit or action shall certify such facts to the Rent Administrator. The Rent Administrator may intervene in any such suit or action.

"(i) Any person who receives any payment of rent in excess of the maximum rent prescribed by this act, or any regulation or order issued thereunder, or fails to refund any rent payments in accordance with any order under this act, shall be liable to the person from whom he receives such payment, or to whom he fails to refund such payment, for reasonable attorney's fees and costs as determined by the court, plus liquidated damages in the amount of (1) $50, or (2) three times the amount by which the payment or payments received exceed the maximum rent which could lawfully be received, or three times the amount which was not refunded, whichever, in either case, may be the greater amount: *Provided,* That the amount of such liquidated damages shall be the amount of the overcharge or overcharges if the defendant proves that the violation was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. Suit to recover such amount may be brought in any Federal, State, or Territorial court of competent jurisdiction within 1 year after the date of such violation. If the tenant either fails to institute any action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the Rent Administrator may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the Rent Administrator, the tenant shall thereafter be barred from bringing an action for the same violation or violations. For the purpose of determining the amount of liquidated damages to be awarded to the plaintiff in an action brought under this subsection all violations alleged in such action which were committed by the defendant prior to the bringing of the action shall be deemed to constitute one violation, and the amount received or retained in connection with such one violation shall be deemed to be the aggregate amount received or retained in connection with all violations. A judgment in an action under this paragraph shall be a bar to a recovery under this subsection in any other action against the same defendant on account of any violation with respect to the same plaintiff prior to the institution of the action in which such judgment was rendered."

SEC. 10. Section 209 of the Housing and Rent Act of 1947, is amended by striking out the language of the section in its entirety and in lieu thereof inserting the following:

"(a) So long as the tenant continues to pay the rent to which the landlord is entitled, no tenant shall be removed from any housing accommodations, by action to evict or to recover possession, by exclusion from possession, or otherwise, nor shall any person attempt such removal or exclusion from possession, notwithstanding that such tenant has no lease or that his lease or other rental agreement has expired or otherwise terminated, and regardless of any contract, lease, agreement, or obligation heretofore or hereafter entered into which provides for entry of judgment upon the tenant's confession for breach of the covenants thereof or which otherwise provides contrary hereto unless:

"(1) under the law of the State in which the action or proceeding is brought the tenant is (A) violating the obligation of his tenancy (other than an obligation to pay rent higher than rent permitted under this act or an obligation to surrender possession of such housing accommodations) or (B) is committing a nuisance in such housing accommodations or using such housing accommodations for an immoral or illegal purpose or for other than living or dwelling purposes;

"(2) the landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations, or for the immediate and personal use and occupancy as housing accommodations by his father, mother, grandfather, grandmother, son, or daughter: *Provided, however,* That where the housing accommodations are a part of a multiple unit structure or premises owned or leased by a cooperative corporation or association, the tenant may not be evicted unless at the time eviction is sought at least 80 percent of the tenants of the dwelling units in the structure or premises have purchased stock or other evidence of interest in the cooperative or association entitling them to possession of their respective dwelling units by virtue of a proprietary lease or otherwise.

"(3) the landlord seeks in good faith to recover possession of such housing accommodations for the immediate purpose of substantially altering, remodeling, or demolishing them and replacing them with new construction, and the altering or remodeling is reasonably necessary to protect and conserve the housing accommodations and cannot practically be done with the tenant in occupancy, and the landlord has obtained such approval as may be required by Federal, State, or local law for the alterations, remodeling, or any construction planned; or

"(4) the housing accommodations are nonhousekeeping, furnished housing accommodations located within a single dwelling unit not used as a rooming or boarding house and the remaining portion of which is occupied by the landlord or his immediate family.

"(b) Notwithstanding any other provision of this act, the United States or any State or local public agency may maintain an action or proceeding to recover possession of any housing accommodations operated by it where such action or proceeding is authorized by the statute or regulations under which such accommodations are administered: *Provided,* That nothing in this subsection shall be deemed to authorize the maintenance of any such action or proceeding upon the ground that the income of the occupants of the housing accommodations exceeds the allowable maximum unless such income, less any amounts paid to such occupants by the Veterans' Administration on account of service-connected disability or disabilities, exceed the allowable maximum.

"(c) No person shall take any action to execute a judgment of eviction entered by any court in conformity with paragraphs (2), (3), and (4) of subsection (a) of this section until 90 days after the judgment was entered.

"(d) Every notice to a tenant to vacate or surrender possession of housing accommodations shall state the ground under this section upon which the landlord relies for removal or eviction of the tenant and the facts necessary to establish the existence of such ground. A written copy of such notice shall be given to the area rent office within 24 hours after the notice is given to the tenant.

"No tenant shall be removed or evicted from housing accommodations by court process or otherwise, unless at least 10 days (or, where the ground for removal or eviction is nonpayment of rent, the period required by the local law for notice prior to the commencement of an action for removal or eviction in such cases, but in no event less than 3 days) prior to the time specified for surrender of possession and to the commencement of any action for removal or eviction, the landlord has given written notices of the proposed removal or eviction to the tenant and to the area rent office, stating the ground under paragraph (a) of this section upon which such removal or eviction is sought, the facts necessary to establish the existence of such ground, and specifying the time when the tenant is required to surrender possession.

"Where the ground for removal or eviction of a tenant is nonpayment of rent, every notice pursuant to this paragraph (d) shall state the rent for the housing accommodations, the amount of rent due and the rental period or periods for which such rent is due.

"If judgment for possession is sought by virtue of a confession of judgment or a warrant of attorney authorizing confession of such judgment against the tenant, the date of commencement of the action as referred to in this section shall be deemed to be the date of filing in court the first papers in the proceedings for the entry of such judgment.

"(e) The Rent Administrator may intervene in any action or proceeding mentioned in this section for the purpose of advising the court concerning the meaning or application of his regulations and in the interest of securing uniformity in the applications of this act."

SEC. 11. Section 210 of the Housing and Rent Act of 1947, is amended by striking out "Housing and Rent Act of 1947;" and substituting "Housing and Rent Act of 1947, as amended;".

SEC. 12. Section 202 of the Housing and Rent Act of 1947 is amended by adding at the end thereof the following new paragraph:

"(g) The provisions of title II as herein amended shall cease to be in effect on June 30, 1950, except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this title and all regulations, orders, and requirements issued thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such rights, liability, or offense."

SEC. 13. This act shall become effective on the first day of the first calendar month following the month in which this act is enacted.

SEC. 14. Section 211 of the Housing and Rent Act of 1947 is amended by striking out the words "but shall not be applicable to the District of Columbia" and inserting in lieu thereof the following: "including the District of Columbia."

SEC. 15. The Housing and Rent Act of 1947 is amended by adding the following new section after section 213:

PROCEDURE AND REVIEW

"SEC. 214 (a). The Rent Administrator shall provide by appropriate regulations, when an interested person so requests, for a review by himself of the denial in whole or in part by any area rent director of a petition for adjustment of rent or a determination of any area rent director reducing or fixing the maximum rent for any housing accommodations.

"(b) Any determination of the Rent Administrator on an individual petition for adjustment of rent or any order entered by him reducing or fixing the maximum rent for controlled housing accommodations shall be reviewable on complaint of an interested person in the United States district court for

the district in which the housing accommodations are located. The review shall be upon the basis of the record before the Rent Administrator, which the Rent Administrator shall certify to the court within 30 days after he is served with the complaint. No order reviewed in the foregoing manner shall be enjoined, set aside, in whole or in part, or modified unless the complainant establishes to the satisfaction of the court that the order is not supported by substantial evidence or is not in accordance with law.

Mr. CANFIELD. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I appreciate very much indeed the courtesy of the chairman of the subcommittee and his fellow members in giving me the time to speak under the general debate on their bill. It has been very difficult, indeed, to obtain time under the rules to render to the House even a partial summary of the report of the Congressional Aviation Policy Board (S. Rept. 949). Therefore, I am particularly grateful to the gentleman from New Jersey and to the gentleman from Virginia. It may interest the House to know that as the Subcommittee on Combat Aviation of the Congressional Aviation Policy Board, we had as advisers to that subcommittee, General of the Army H. H. "Hap" Arnold, Mr. Ralph S. Damon, representing the scheduled air lines, Rear Adm. Louis DeFlores, of the United States Naval Reserve, a distinguished scientist, Lt. Gen. James H. "Jimmie" Doolittle of the United States Air Force Reserve, Mr. J. H. Kindelberger, representing the aircraft industries, Prof. Clark B. Millikin, another scientist of very great renown, and his colleague, Prof. William R. Sears, Mr. Earl F. Slick, who represented the nonscheduled air-cargo carriers, and the famous Adm. John H. "Jack" Towers, United States Navy, now retired, Col. Roscoe Turner of World War I fame, and a speed flyer of note, representing the fixed-base operators, and Mr. J. Carlton Ward, Jr., President of the Fairchild Engine & Manufacturing Co., who is head of the not-so-well-known but exceedingly important NEPA project.

Mr. Chairman, I have asked for the attention of the Members so that I may present some facts on our National Defense Establishment. These facts, as I gathered them during months of close study and conversations with scores of officials and officers including the very top levels in all services, shocked me. I believe they will amaze and horrify you and the country, as they did me and my associates on the Aviation Policy Board who helped me make the study. It was as members of the Congressional Aviation Policy Board that we looked inside our Military Establishment and found certain basic failures which must be speedily corrected if we are to be properly prepared should a great emergency, God forbid, again occur.

I have the honor to be vice chairman of the board and chairman of its combat aviation subcommittee. We were assisted by the council I have just mentioned composed of the foremost authorities on national defense and especially in air power. Our report recently was presented to the Congress, on March 1. In view of the world situation, I am reluctant to expose the weaknesses in our national defense which the testimony presented to us definitely revealed. It would be easier to sit silently and have an abiding faith that all is well and that there is nothing to worry about. But as a Member of the Congress with responsibilities to the people and to my own conscience, I cannot be silent and see the strength of our national defense, the defense for which Congress has appropriated upward of $10,000,000,000 for the present fiscal year, frittered away by confusion, neglect, and failure to provide the comprehensive over-all planning that is implicit in the policies laid down by the Congress.

Yet, that is what is happening today. We passed an act for unification, coordination, and synchronization, and for an end to costly, inefficient duplication, overlapping and conflicting duties and operations. Instead, we are now getting triplification.

Rivalries among the armed services that marked passage of the Unification Act continue. We found that some brass hats, instead of getting down to brass tacks are bogged down in controversy.

There is controversy and lack of decisive action over who is to do what, and the tragic result is that our country is not getting a full dollar of effective preparedness for every dollar spent.

Think of it! In the present state of world affairs, when sparks may be struck, even accidentally, which could easily flare into open warfare, a well-knit, comprehensive meeting of minds among the topmost defense planners on major policies has not yet been developed.

Of course, that is a shocking, deplorable situation. Why, your Aviation Policy Board was confronted with two plans for air power—one for the Navy and one for the Air Force—with the missions to be performed by each service still in dispute.

Obviously, there can be no sensible planning on air power, which we now so desperately lack, until there is an over-all unified plan of action.

It is equally plain there can be no rationalization of defense appropriations until there is produced by the high command of the armed forces a unified plan of action.

Without a unified plan of action, spelled out in detail so each service may know what it is to do, and detailed planning to provide and support the various operations, it is the opinion of your Aviation Policy Board that much of the budgeted appropriations for the armed forces would be a huge waste of the taxpayers' money.

I am confident this Congress will not tolerate negligence in defense planning. Members of our Appropriation Committee, I am sure, know what I am talking about, because they too have intimate knowledge of the defense situation and the controversies among the services.

I am also confident that Secretary of Defense Forrestal is striving earnestly to produce a unified plan of action for the defense establishment, but, my colleagues, he needs our help. I noted by the paper last evening and again this morning that Secretary Forrestal is calling the Joint Chiefs of Staff together over the weekend, in order to make a determination, if that be possible, of the proper allocation of roles and missions in the armed services.

President Truman, as Commander in Chief of the armed forces, should act at once to see that the present danger-fraught situation is corrected. Some forthright orders to the Joint Chiefs of Staff from the President—orders to get together and get on with a unified plan of action—are needed now.

On the matter of unified plan of action, our Congressional Aviation Policy Board, among other observations, had this to say:

> Under the National Security Act of 1947, the Joint Chiefs of Staff are charged with the obligation of preparing such plans. It is our view that the Secretary of Defense and the President should exert whatever pressure is required to make certain of their accomplishment.
>
> We are not unaware of the fact that the Joint Chiefs of Staff, who individually represent the three separate services, may find it difficult to prepare truly coordinated and integrated plans. The loyalty of adherence to its traditions is understandable, but unyielding adherence to service loyalties at the expense of national security is a luxury the Nation no longer can afford.

It is alarming enough to see that unification of the armed services is not being accomplished with the wisdom and speed that we had hoped for in passing the authorizing legislation. But other vital factors are involved. The cost of national defense has stopped its postwar downward trend and it now going up.

Here are some facts I suggest remembering as we drive to cut down the cost of Government:

The Bureau of the Budget reported that nearly 80 percent of the 1948 fiscal year budget was allotted to the prevention, prosecution, and liquidation of wars.

That statement interested me greatly and so I asked to have a copy of the Budget Bureau's statement. The five mentioned categories, with amounts involved and percentages of the whole, are as follows:

Fiscal year 1948 Federal budget

Category	Amount	Percent of total
	Billions	
National defense	$10.401	28.1
Veterans' services and benefits	7.469	20.2
Interest on public debt	5.125	13.9
International affairs and finance	4.301	11.6
Tax refunds	2.063	5.6
Total these 5 categories	29.359	79.3
All other functions of Government	7.641	20.7
Total budget, 1947–48		100

Now, Mr. Chairman, get this statement: All the other functions of the Government put together in the 1948 budget total $7,641,000,000, or 20.7 percent. There you have a situation, Mr. Chairman, which confronts our country in a most important way.

Mr. Chairman, at this point I desire to insert the statement and tables that

were prepared by the Bureau of the Budget to which I have referred:

ANALYSIS OF FEDERAL BUDGET EXPENDITURES, 1900–1948

The two attached tables trace the development of Federal budget expenditures from 1900, when they were $500,000,000, through the peak of over $100,000,000,000 in 1945, and down to the present estimate of $37,000,000,000 for the fiscal year 1948. Figures are shown for five major categories which relate largely to prevention, prosecution, or liquidation of wars—national defense, veterans' services and benefits, interest on the public debt, international affairs and finance, and tax refunds. As the tables show, expenditures for these major functions weigh heavily in the total budget. During some of the years most greatly influenced by World Wars I and II, these expenditures have accounted for over nine-tenths of the total budget. In other years, they have also accounted for a substantial proportion of the budget, except during the 1930's when the sharp rise of relief and other expenditures on account of the economic emergency increased the proportion of non-war-related expenditures.

From 1900 to 1948, the total budget expenditures have increased manyfold. Expenditures in the five major categories under consideration account for a great deal of this increase. Furthermore, it is unlikely that they will decrease in the near future to the same extent as they did after World War I. In fiscal 1948, these five functions aggregate $29,400,000,000—79 percent of the estimated total budget expenditure of $37,000,000,000.

LIMITATIONS ON DATA

In using the attached tables, it should be borne in mind that, although the five functions for which specific figures are shown are largely war-related, expenditures would also continue to some extent for these purposes under long-term peacetime conditions. For example, tax refunds would still be made in peacetime, but not at the levels induced by wartime revenue collections and expenditures for the State Department would be necessary in peacetime. On the other hand, the non-war-related functions include certain expenditures which were for war purposes, particularly during the World War II period.

Similarly, the figures have some shortcomings from the standpoint of classification and precision, particularly for the earlier years. From 1939 through 1948, the figures shown at present are according to the Budget functional classification. For preceding years, an effort has been made to roughly group data available in the Budgets and Annual Reports of the Secretary of the Treasury in accordance with the present Budget classification. This effort has been only partially successful, but it is felt that the main trends can be discerned from the figures presented.

For the years preceding 1939, the coverage for the several major categories is roughly as follows:

National defense: Includes War Department (military) and Navy Department expenditures, plus expenditures during the World War I period by such agencies as the Railroad Administration, Shipping Board, War Finance Corporation, etc.

Veterans' services and benefits: Figures largely correspond to functions of the Veterans' Administration.

Interest on the public debt and tax refunds: Data correspond to present Budget definitions.

International affairs and finance: Figures confirmed to State Department expenditures, except for World War I period for which purchases of obligations of foreign governments are included. The loans to foreign governments during World War I in part served the same purpose as the lend-lease program of World War II, which is included in the national defense figures (and amounts to about $50,000,000,000).

TABLE A.—*Analysis of Federal budget expenditures, fiscal years 1900–1948, 5 major functions*

[Amounts in millions of dollars]

Fiscal year	Total budget expenditures	5 major functions							All other functions	
		National defense	Veterans' services and benefits	Interest on public debt	International affairs and finance	Tax refunds	Subtotal, 5 functions		Amount	Percent of total budget expenditure
							Amount	Percent of total budget expenditure		
1900	$521	$191	----------	$40	----------	----------	----------	----------	----------	----------
1901	525	206	----------	32	----------	----------	----------	----------	----------	----------
1902	485	180	----------	29	----------	----------	----------	----------	----------	----------
1903	517	202	----------	29	----------	----------	----------	----------	----------	----------
1904	584	268	----------	25	----------	----------	----------	----------	----------	----------
1905	567	244	----------	25	----------	----------	----------	----------	----------	----------
1906	570	247	----------	24	----------	----------	----------	----------	----------	----------
1907	579	247	----------	24	----------	----------	----------	----------	----------	----------
1908	659	294	----------	21	----------	----------	----------	----------	----------	----------
1909	694	308	----------	22	----------	----------	----------	----------	----------	----------
1910	694	284	----------	21	----------	----------	----------	----------	----------	----------
1911	691	283	----------	21	(1)	----------	----------	----------	----------	----------
1912	690	284	----------	23	$5	----------	----------	----------	----------	----------
1913	725	293	----------	23	5	----------	----------	----------	----------	----------
1914	735	298	(1)	23	5	(1)	(1)	(1)	(1)	(1)
1915	761	297	$176	23	5	$15	$516	$67.8	$245	37.2
1916	734	305	171	23	6	21	526	71.7	208	28.3
1917	1,978	602	171	25	891	24	1,713	86.6	265	13.4
1918	12,697	7,110	235	198	4,748	35	12,326	97.1	371	2.9
1919	18,515	13,548	324	616	3,500	67	18,055	97.5	460	2.5
1920	6,403	3,997	332	1,024	435	46	5,834	91.1	569	8.9
1921	5,116	2,581	646	999	83	58	4,367	85.4	749	14.6
1922	3,373	929	686	991	10	88	2,704	80.2	669	19.8
1923	3,295	680	747	1,056	14	158	2,655	80.6	640	19.4
1924	3,049	647	676	941	15	159	2,438	80.0	611	20.0
1925	3,063	591	741	882	15	182	2,411	78.7	652	21.3
1926	3,098	586	772	832	17	210	2,417	78.0	681	22.0
1927	2,974	578	786	787	17	137	2,305	77.5	669	22.5
1928	3,103	656	806	731	12	170	2,375	76.5	728	23.5
1929	3,299	696	812	678	14	213	2,413	73.1	886	26.9
1930	3,440	734	821	659	14	152	2,380	69.2	1,060	30.8
1931	3,652	733	1,040	611	16	91	2,491	68.2	1,161	31.8
1932	4,535	703	985	600	19	101	2,408	53.1	2,127	46.9
1933	3,864	648	863	689	16	70	2,286	59.2	1,578	40.8
1934	6,011	540	557	757	12	64	1,930	32.1	4,081	67.9
1935	7,010	711	607	820	19	77	2,234	31.9	4,776	68.1
1936	8,666	914	2,350	749	18	54	4,085	47.1	4,581	52.9
1937	8,177	937	1,137	866	18	56	3,014	36.9	5,163	63.1
1938	7,239	1,030	581	926	19	100	2,656	36.7	4,583	63.3
1939	9,027	1,074	559	941	19	68	2,661	29.5	6,366	70.5

Footnote at end of table.

TABLE A.—*Analysis of Federal budget expenditures, fiscal years 1900–1948, 5 major functions*—Continued

[Amounts in millions of dollars]

Fiscal year	Total budget expenditures	5 major functions							All other functions	
		National defense	Veterans' services and benefits	Interest on public debt	International affairs and finance	Tax refunds	Subtotal, 5 functions		Amount	Percent of total budget expenditure
							Amount	Percent of total budget expenditure		
1940	$9, 297	$1, 497	$551	$1, 041	$50	$91	$3, 230	$34. 7	$6, 067	65. 3
1941	13, 765	6, 370	564	1, 111	140	90	8, 275	60. 1	5, 490	39. 9
1942	34, 290	26, 843	556	1, 260	632	95	29, 386	85. 7	4, 904	14. 3
1943	79, 702	70, 031	605	1, 813	232	80	72, 761	91. 3	6, 941	8. 7
1944	95, 573	83, 724	744	2, 610	280	295	87, 653	91. 7	7, 920	8. 3
1945	100, 398	84, 526	2, 094	3, 622	677	1, 817	92, 736	92. 4	7, 662	7. 6
1946	63, 714	45, 012	4, 414	4, 748	1, 464	3, 119	58, 757	92. 2	4, 957	7. 8
1947	42, 505	14, 451	7, 373	4, 957	6, 669	3, 056	36, 506	85. 9	5, 544	14. 1
1948 [2]	37, 000	10, 401	7, 469	5, 125	4, 301	2, 063	29, 359	79. 3	7, 641	20. 7

[1] Figures for this and preceding years are not readily obtainable.
[2] Estimated.

Source: Based on Budget documents and annual reports of the Secretary of the Treasury.

TABLE B.—*Analysis of Federal budget expenditures, fiscal years 1900–1948—percent of total expenditures by major functions*

Fiscal year—	Total budget expenditures (in millions)	Percent of total budget						
		National defense	Veterans' services and benefits	Interest on public debt	International affairs and finance	Tax refunds	Subtotal, 5 functions	All other functions
1900	$521	36. 7		7. 7				
1901	525	39. 2		6. 1				
1902	485	37. 1		6. 0				
1903	517	39. 1		5. 6				
1904	584	45. 9		4. 3				
1905	567	43. 0		4. 4				
1906	570	43. 3		4. 2				
1907	579	42. 7		4. 1				
1908	659	44. 6		3. 2				
1909	694	44. 4		3. 2				
1910	694	40. 9		3. 0				
1911	691	41. 0		3. 0	(1)			
1912	690	41. 2		3. 3	0. 7			
1913	725	40. 4		3. 2	. 7			
1914	735	40. 5	(1)	3. 1	. 7	(1)	(1)	(1)
1915	761	39. 0	23. 1	3. 0	. 7	2. 0	67. 8	32. 2
1916	734	41. 6	23. 3	3. 1	. 8	2. 9	71. 7	28. 3
1917	1, 978	30. 4	8. 6	1. 3	45. 0	1. 2	86. 6	13. 4
1918	12, 697	56. 0	1. 9	1. 6	37. 4	. 3	97. 1	2. 9
1919	18, 515	73. 2	1. 7	3. 3	18. 9	. 4	97. 5	2. 5
1920	6, 403	62. 4	5. 2	16. 0	6. 8	. 7	91. 1	8. 9
1921	5, 116	50. 4	12. 6	19. 5	1. 6	1. 1	85. 4	14. 6
1922	3, 373	27. 5	20. 3	29. 4	. 3	2. 6	80. 2	19. 8
1923	3, 295	20. 6	22. 7	32. 0	. 4	4. 8	80. 6	19. 4
1924	3, 049	21. 2	22. 2	30. 9	. 5	5. 2	80. 0	20. 0
1925	3, 063	19. 3	24. 2	28. 8	. 5	5. 9	78. 7	21. 3
1926	3, 098	18. 9	24. 9	26. 9	. 5	6. 8	78. 0	22. 0
1927	2, 974	19. 4	26. 4	26. 5	. 6	4. 6	77. 5	22. 5
1928	3, 103	21. 1	26. 0	23. 6	. 4	5. 5	76. 5	23. 5
1929	3, 299	21. 1	24. 6	20. 6	. 4	6. 5	73. 1	26. 9
1930	3, 440	21. 3	23. 9	19. 2	. 4	4. 4	69. 2	30. 8
1931	3, 652	20. 1	28. 5	16. 7	. 4	2. 5	68. 2	31. 8
1932	4, 535	15. 5	21. 7	13. 2	. 4	2. 2	53. 1	46. 9
1933	3, 864	16. 8	22. 3	17. 8	. 4	1. 8	59. 2	40. 8
1934	6, 011	9. 0	9. 3	12. 6	. 2	1. 0	32. 1	67. 9
1935	7, 010	10. 1	8. 7	11. 7	. 3	1. 0	31. 9	68. 1
1936	8, 666	10. 5	27. 1	8. 6	. 2	. 6	47. 1	52. 9
1937	8, 177	11. 5	13. 9	10. 6	. 2	. 6	36. 9	63. 1
1938	7, 239	14. 2	8. 0	12. 8	. 3	1. 4	36. 7	63. 3
1939	9, 027	11. 9	6. 2	10. 4	. 2	. 8	29. 5	70. 5
1940	9, 297	16. 1	5. 9	11. 2	. 5	1. 0	34. 7	65. 3
1941	13, 765	46. 3	4. 1	8. 1	1. 0	. 7	60. 1	39. 9
1942	34, 290	78. 3	1. 6	3. 7	1. 8	. 3	85. 7	14. 3
1943	79, 702	87. 9	. 8	2. 3	. 3	. 1	91. 3	8. 7
1944	95, 573	87. 6	. 8	2. 7	. 3	. 3	91. 7	8. 3
1945	100, 398	84. 2	2. 1	3. 6	. 7	1. 8	92. 4	7. 6
1946	63, 714	70. 6	6. 9	7. 5	2. 3	4. 9	92. 2	7. 8
1947	42, 505	34. 0	17. 3	11. 7	15. 7	7. 2	85. 9	14. 1
1948 [2]	37, 000	28. 1	20. 2	13. 9	11. 6	5. 6	79. 3	20. 7

[1] Figures for this and preceding years are not readily obtainable.
[2] Estimated.

Source: Based on Budget documents and annual reports of the Secretary of the Treasury.

In examining the national defense item in the 1949 budget now under consideration it was soon learned that neither the total amount nor the separate allotments to the Army, Navy, and Air Force, bore any real relation to the requirements of the services as stated by them to my subcommittee.

In fact it was obvious that a gross amount had been selected—$10,098,000,000—and then that amount had been arbitrarily whacked up between the three armed services in proportions determined by the Bureau. These amounts were then allocated to the services and they in turn were told to prepare budget statements within the shares allotted.

Consequently the budget estimates now before our several Subcommittees on Appropriations having to do with the armed services are almost wholly unrealistic, and the separate justifications bear only a resemblance to their requirements. That statement should be qualified by the fact that the budget for the Department of the Army is closer to reality than that of the Navy or of the Air Force.

Of course, there is an extenuating circumstance; namely, the Unification Act of 1947 was being passed at the time those budgets were being prepared in the departments and hence some arbitrary actions may have been necessary pro tem.; and naturally it has taken some time for the new national defense set-up to fit itself into its new groove.

Our Board, being an Aviation Policy Board, called for statements of requirements of the air arms of the services early last October. We received the same presentations that were made to other congressional groups, and we then asked for figures. We had great difficulty in obtaining understandable figures, as they were presented in terms of a 70-group program for the Air Force and a 10,385-plane program for the Navy.

The next step was an attempt to find out what those terms really meant. In due course we extracted the fact that the "70-group program" meant 20,541 aircraft for the Air Force, and the "10,385-plane" program for the Navy meant in reality 14,500 aircraft, total 35,041 aircraft.

The next step was an attempt to find out what those figures meant in terms of some common denominator of annual procurement of aircraft. Naturally the procurement figures must be extended over a period of some number of years, and meantime consideration had to be given to side-door procurement by withdrawal of war surplus aircraft from cocoon storage.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. DONDERO. Are we given to understand that the 35,000 aircraft is the number we now have on hand?

Mr. HINSHAW. No; that is the combined target programs of the Air Force and the Navy for the future, as prepared by those services separately.

Mr. DONDERO. Over what period of time?

Mr. HINSHAW. Over a period of 5 years. The gentleman will be interested to know that the Soviets are estimated to have a considerably larger air army than those figures for the United States.

Mr. Chairman, the common denominator chosen was the "airframe pound." An airframe pound is a unit of weight of an airplane without engines, accessories, or spare parts. It is suitable as a term relating to an air striking force as well as being suitable for measuring aircraft procurement and aircraft production. The term "aircraft" by itself can mean a very small aircraft or a very large one. Numbers of aircraft in any one category are important but the most practical and suitable common denominator for all kinds, sizes, numbers, and types of aircraft is the number of pounds of airframe involved.

Having decided upon a common denominator it was then necessary to get the figures of the Navy and Air Force coordinated first into pounds of airframe and then into dollars of annual procurement budgets. That was achieved in due course and tables were prepared accordingly. At that point we discovered that thus far we had been talking only about aircraft procurement budgets.

No mention had been made of the additional personnel, subsistence, maintenance, and so forth, that would be required if the air arms of the services were to be expanded to the sizes that the Navy and Air Force declared were required.

So a running series of budget estimates to include all costs of the Navy and the Air Force, over the period of years required to bring them up to strength, including statements of contract authorizations, was requested.

The following statements of budget estimates is without the contract authorizations required, merely for the sake of brevity and clearer reading. It is taken from page 9 of our National Aviation Policy Report. The table is as follows:

Expenditures, current and estimated budget, by fiscal years, in billions of dollars

Particulars	Present, 1948	Plan A (111,000,000 airframe pounds)						Plan B (63,000,000 airframe pounds)					
		1949	1950	1951	1952	1953	Level off	1949	1950	1951	1952	1953	Level off
Army: Total appropriation for Army [1]	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12
Navy:													
Appropriations for aircraft procurement	.28	.52	.95	1.39	1.28	1.30	1.20	.45	.67	.88	.96	.96	.96
Total appropriations for naval aviation [2]	.73	1.20	1.75	2.08	2.05	2.00	2.00	.96	1.31	1.42	1.50	1.50	1.50
Total appropriations for Navy [2]	4.13	4.80	5.75	6.48	7.30	7.80	8.00	4.46	5.11	5.22	5.45	5.50	5.50
Air Force:													
Appropriations for aircraft procurement	.12	.80	1.70	2.40	3.00	3.50	3.20	.80	1.70	2.40	2.70	2.70	2.00
Total appropriations for Air Force [2]	3.10	3.50	5.20	6.50	7.30	7.80	7.50	3.50	5.20	6.50	6.70	6.80	6.10
Total armed services:													
Appropriations for aircraft procurement	.40	1.32	2.65	3.79	4.28	4.80	4.40	1.25	2.37	3.28	3.66	3.66	2.96
Total appropriations for aviation	3.83	4.70	6.95	8.58	9.35	9.80	9.50	4.46	6.51	7.92	8.20	8.30	7.60
Total appropriations for armed services	10.35	11.42	14.07	16.10	17.72	18.72	18.62	11.08	13.43	14.84	15.27	15.42	14.72
Current procurement cost of aircraft transferred from storage to operation [3]	[1.84]	[2.00]	[.84]					[2.00]	[.84]				
National budget other than armed services	26.88	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Total national budget, exclusive of UMT and ERP	37.23	36.42	39.07	41.10	42.72	43.72	43.62	36.08	38.43	39.84	40.27	40.42	39.72
Universal military training [4]		.88	1.58	2.01	2.01	1.75	1.75	.88	1.58	2.01	2.01	1.75	1.75
European relief program	.50	4.00	5.24	3.57	2.47	.62		4.00	5.24	3.57	2.47	.62	
Projected national budget, including armed services, UMT, and ERP	37.73	41.30	45.89	46.68	47.20	46.09	45.37	40.96	45.25	45.42	44.75	42.79	41.47

[1] Above figures for Army do not include costs of government or relief in occupied areas, nor civil functions of the Corps of Engineers.
[2] The total appropriation figures for naval aviation do not include pay, allowances, subsistence, medical care, etc., of uniformed personnel, whereas the similar figures for Air Force do include such pay and support of uniformed personnel. The figures for the total appropriations for Navy do include pay and support of all uniformed personnel of the Navy.
[3] These figures represent the current cost of replacement of aircraft transferred from storage to operation.
[4] These figures represent estimates for establishment and operation of military training facilities.

Mr. Chairman, at this point I shall insert a brief statement from our report which will describe the plans A and B referred to in the tables:

PLAN A

From the information made available to the Board by the Air Force and by the Navy separately, it would appear that the initial strength necessary to mount promptly an effective, continuing, and successful air offensive against a major enemy, is what is termed the Air Force 70-group program of 20,541 aircraft, plus the Navy program of 14,500 aircraft, total 35,041 aircraft. At the level-off period in 1953 these programs would require thereafter an annual Air Force procurement of 86,000,000 airframe pounds and an annual Navy procurement of 25,000,000 airframe pounds—total, 111,000,000 airframe pounds annually.

PLAN B

Based on the same sources of information, the strength necessary to prevent the loss of a war upon the outset of hostilities appears to be the same program outlined in plan A

above, but without reserve aircraft, which means a combined Air Force and Navy aviation procurement of 63,000,000 airframe pounds annually. For the purpose of comparative budget study (see tabulations) we have assumed that the combined annual procurement of 63,000,000 pounds might be divided into approximately 45,000,000 for the Air Force and 18,000,000 for the Navy. This plan is designed to provide a force sufficient to (a) withstand an initial blow intended to cripple the United States, (b) form the basis for a strong Territorial defense, and (c) provide effective retaliation, but not a sustained offensive action. Under this plan it is estimated that the aircraft manufacturing industry would require a year longer to reach the volume of aircraft production necessary to cope with attrition, than it would under plan A.

In the meantime it became obvious that a difference of opinion amounting to almost private hostility existed between the Navy and the Air Force as to which of them was to be responsible for certain roles and missions. This difference developed when the question was asked of them, whether or not the statements of requirements as presented had been approved by the Joint Chiefs of Staff. The answer by each of them was a reluctant "No."

It then developed that the reason the figures had not been approved by the Joint Chiefs of Staff was that there was no agreement between the Joint Chiefs as to the assignment of roles and missions of the respective services.

Finally the reason behind this disagreement came out in the fact that the Unification Act of 1947 was somewhat ambiguous in certain respects, and that the Executive Order of the President No. 9877 which further defines the roles and missions of the armed services differs from the Navy's interpretation of the law so the Navy chose to disregard the Executive order of the President where the order, as the Navy sees it, differs with the law.

Plainly, the seat of the conflict lies in the fact that the Unification Act was passed in the first instance. No one in this Chamber will forget the lobby job that was done to prevent its passage until certain changes were made in the language. The fight continues and rages downtown now and perhaps the only way to settle it is to amend the act. Meantime the very able and distinguished Secretary of Defense has his hands full and needs to be supported in his efforts for unification.

The controversy revolves, principally, around the question as to whether the Air Force is to be solely responsible for the strategic bombing mission or whether the Navy should have a part or, as some claim, all of that mission.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Indiana.

Mr. HALLECK. I observed in the press this morning that Secretary Forrestal is said to be calling a meeting of the Joint Chiefs of Staff over the week end to try to do something with this very problem that the gentleman has been working on for a long time and is now talking about. Can the gentleman give us any idea, beyond anything we have seen in the press, as to what may be in contemplation in connection with that rather belated action?

Mr. HINSHAW. I know that the Secretary has been wrestling with this problem for a long time, as have the Members of our Board, and I believe that he has now come down to the point where he may have received full authority from the President to order that this question be settled, and settled now. It must be settled now. He has stated, as I understand the report in the press, that the Joint Chiefs are to meet over the week end for this very purpose, and that if they themselves are unable to reach agreement, that he will make the decision himself. Our Subcommittee on Combat Aviation informed all of them put together that if they were not able to settle the controversy it was going to have to be settled in the Congress of the United States as the only other place and the last resort for its settlement. We, of course, here, are not qualified as military experts and we should not have to settle that question. It should be settled by the Joint Chiefs themselves, but if they cannot settle it, we will.

Mr. HALLECK. If the gentleman will yield further, I am quite sure that all of us who supported the so-called Unification Act did so in the hope that we would avoid duplication of effort, and that we would be better assured of getting a dollar's worth of national security for a dollar spent. I do think it is high time that something be accomplished in that direction, and I want to commend the gentleman for calling the attention of the House and the country, in the very able way that he has, to this very important problem.

Mr. HINSHAW. I thank the gentleman.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from New York.

Mr. COLE of New York. It is my understanding that one of the major bases of controversy which has prevented an agreement by the Joint Chiefs of Staff is the extent to which the Navy will use air power in prosecuting naval operations.

Mr. HINSHAW. It is principally the extent to which the Navy shall use strategic bombing in its efforts.

Mr. COLE of New York. Well, that is not the information that comes to me. The controversy goes beyond strategic bombing. But, the other basis of disagreement is the use of the Marine Corps. The gentleman has said that if the Joint Chiefs of Staff cannot agree on the proper correlation of these various types of service, the Congress must. I want to remind the gentleman that the Congress did declare its policy with respect to naval operation and the use and function of the Marine Corps in the unification act, and that any agreement which the Joint Chiefs of Staff reached should be in conformity with the provisions of that act and not in violation of it.

Mr. HINSHAW. That may be true, but if the gentleman will examine the act again, he will find that there are certain ambiguities in the act. For example, in the act the strategic bombing mission is assigned to the Air Force but, on the other hand, in the Navy section of the act, the Navy is permitted to use any type of weapon or missile or other means of carrying on war and, of course, the Navy interprets that to mean that they are entitled to engage in strategic bombing. There is where the controversy arises and, of course, that is an evident ambiguity. It may be necessary to delineate the real intent in the law. But certainly the President, as Commander in Chief of the armed forces of the United States, should write an Executive order further defining the missions and roles in such a way that there shall be no conflict between the several branches of the service. It should not be up to us to decide who shall do what.

In that controversy are involved several billions of dollars of budgets over the years to come. So we come right back to the subject of budgets and appropriations.

As both services now claim that mission there is a very large duplication in the stated requirements of the services for aircraft and, by the Navy, for super aircraft carriers, and auxiliary vessels.

When your Aviation Policy Board saw this controversy clearly, we demanded a unified plan of action. None was forthcoming as none has or can be properly prepared until either the Congress or the President or both decide which service is to do what.

Meantime, however, we have urged and there is now in process, we believe, a study to determine what may be the right answer. The meeting that was announced by the Secretary for this week end is no doubt a part of that study. Upon that answer can be based a proper budget for the National Defense Establishment.

We have demanded that this determination and the corresponding budgets be prepared by June 30, 1948, at the latest, so that proper budgets for the Army, the Navy, and the Air Force may be presented to the Congress before adjournment of this session.

In the meantime, however, it is quite obvious to your Aviation Policy Board, that over the next 5 or 6 years, or until the world calms down into a stable and permanent peace, there must be material increases in the military budgets. It only needs to be pointed out that today we are living off the surpluses of World War II. We are taking out of storage about 45,000,000 pounds of air frame per annum and procuring about 18,000,000 pounds. In about 2 years the effective storage aircraft will have been withdrawn completely and from then on our air services will decrease in strength unless provision for deliveries at that time are made now. You cannot turn the aircraft manufacturing industry off and on like a spigot. It takes time to build up capacity. It takes more than a year to double the production rate. The rate must be tripled and more to break even on air power 2 years from now, let alone to improve upon our air power.

So it is the opinion of your Aviation Policy Board that additional contract authority be granted now in the 1949

budgets, but that the air arms must come up with a properly unified statement of requirements.

Let us turn then to the total budgets of the armed services as carried in our report (S. Rept. 949) and note that without unification, these budgets call for budget increases from 50 percent to 70 percent for the armed services.

Then add to them all of the other functions of Government including universal military training and ERP which have not as yet been authorized and add to them the more recent requests for funds for the Orient, for Greece and Turkey, and you have staggering requirements coming up for the future.

Then remember that only five major categories of expenditures account for 80 percent of the 1948 budget. A bit of mental arithmetic will show that in the future these five categories may easily mount to better than 85 percent of the enlarged budgets.

In other words, if all of these requested items be included in the Federal budgets of the future, even if savings through real unification can be effected, that portion of the budget devoted to prevention, prosecution, and liquidation of wars will come close to five-sixths or six-sevenths of the total annual Federal expenditures, leaving one-sixth or one-seventh to carry on all of the other, the domestic functions of Government.

Plainly it is time now to call a halt and to reexamine that five-sixths of the Federal budget. The Department of National Defense is doing that for its part right now. It must not only examine the controversial question of roles and missions, it must examine the question of how big a force is needed in what components and how to raise and train reserve armies of what needed size.

The State Department and the President might find new and better ways to bring about strength and recovery in Europe and Asia at less expense to the United States. Other questions should be examined with great care too. The United States might be laid into ruin and subservience to a dictator by defeat in war, but it can defeat itself without a war by spending itself into bankruptcy and chaos.

Therefore we must have 100-percent efficient employment of the tax dollar everywhere that a tax dollar is spent in order that we may not be defeated by anyone, including our ownselves.

Mr. Chairman, I have an editorial that appears in the Lafayette Courier and Journal of Lafayette, Ind., of March 8, 1948. Lafayette is in the congressional district so ably represented by our distinguished majority leader [Mr. HALLECK]. The editorial reads:

DEFENSE AS UNIT

According to reports from Washington, a terrific undercover struggle is going on in the House over peacetime military conscription. Powerful lobbies are exerting every means to force the UMT bill out of the Rules Committee, where it has been bottled up after having been approved by the Armed Services Committee.

UMT is one of the hottest issues facing Congress and most Members likely hope they will not be compelled to vote on it in an election year.

It is to be hoped that UMT will not be considered independently, but rather as a part of the entire national defense picture. It is estimated that UMT, if adopted, will eventually cost the Nation at least $7,000,000,000 a year. Others, equally concerned with the Nation's safety, believe we should develop the world's greatest air force. The Navy has been contemplating new supercarriers and other expansions. Still others are convinced that we cannot maintain our spot in the sun unless we direct our principal attention toward several phases of scientific research and development. The costs of these various programs have not all been estimated, but they would run into many, many billions. And there are some who believe our national budget is already at the point of ruining and enslaving the Nation.

What is to be done? Do we want, or need, all the defensive developments enumerated? Can we afford them? Which is the more important? It would appear that we cannot arrive at the right answer unless all of them are studied in their relation to each other and to the times and needs. Taking up UMT or any other one singly might lead to serious mistakes being made. Why not study our defense problems as a unit and act accordingly?

That is sound advice.

Mr. BATES of Kentucky. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, you would not have known in the work of the subcommittee that there was a minority and a majority party. The chairman of the committee was very patient and very considerate and dealt fairly with the members of his own party as well as ours. The other members of the committee were likewise helpful in every way that they could be, as well as the secretary of the committee, Mr. Hobbs. We agreed on everything in the report so far as appropriations were concerned. I had not planned to say anything about it, and had intended to let it speak for itself. But I saw a press release which made me feel that perhaps I should say something with reference to the Bureau of Internal Revenue.

Mr. Chairman, the country and the Congress have, within the past 2 days through press releases emanating from the House Committee on Appropriations, and making public the report of investigators of the committee, been treated to a new low in party politics in the vicious and unwarranted attack upon the Bureau of Internal Revenue of the Treasury Department. Within my memory, and certainly during my service in this body, I have never witnessed such wantonness and irresponsibility on the part of a committee of this House.

What is known as the Investigating Committee of the Bureau of Internal Revenue was conceived in malice and utter lack of constructive purpose, and the report of its investigators to the Appropriations Committee, and the press releases issued by that committee, based on the report of the investigators, is in keeping with the original notion of the investigators and the results desired to be obtained by those determined to do injury to the Bureau regardless of the facts.

When last year the Bureau, according to an informed press and highest officials in a position to know, properly resisted an unjustified cut in its budget for the fiscal year 1948, it sealed its doom with the Committee on Appropriations. By incontrovertible proof officials of the Treasury and of the Bureau established as an over-all proposition that for each $1 spent by it $20 in revenue was collected. An excellent business proposition for anyone. What industry in the country would not like a similar deal; that is, to be assured if it put up $1 it would receive in return for that expenditure $20. Every informed person on the subject was convinced that for the year 1948 it was bad business to cut the Bureau appropriations. But it had to be cut, so said the powers of the House Appropriations Committee, and cut it was, the reduction being approximately $20,000,000. This resulted in the separation from the service of many examining agents who had been but recently trained for their jobs and who were engaged in checking the fat returns of the war years bristling with additional taxes due the Government from all types of taxpayers, and some of them, indeed, many of them of the black-market type. The honest taxpayers of the country were shocked by the reduction act. An informed press cried out against it. But those responsible for legislation ignored facts and carried to finality the unbusinesslike cut. And, witness if you will, the juvenile attempt on page 8 of the committee report to justify last year's cut.

The report of the committee abounds in generalities, conclusions, but no proof. But it has served as the basis for the smearing press release of the committee. It did not have the effrontery to include in the report made to this House the unfair and wholly false charges against the Bureau which they included in their press release.

Here are some of the utterly false charges emunating from the release: Drinking of intoxicating liquors while on duty; sleeping on the job; inefficiency of employees; and other similar charges. The investigators do not name the employees who were drinking on duty; they do not name the 2 employees out of the 5,000 who slept on duty. In what respect employees were found to be inefficient is likewise not specified by the investigators. Words, words, but no proof. Everybody put under suspicion but nobody specifically charged. Very small procedure, indeed. But puerile and contemptible as the charges are which appeared in the press, they also have a serious side, in which every honest taxpayer in this country is interested. Such charges, although generally known to be untrue by informed people, cannot help but injuriously affect the morale of the officials and employees of the Bureau who have so loyally and successfully collected the revenues of this country, and did so in that manner to finance the two World Wars in which the country has been engaged. Such charges must give aid and comfort to taxpayers who are not inclined to cooperate in the payment of their just taxes. Such unfounded charges are wholly on the side of the tax chiselers and evaders. The record of the Bureau over the years in dealing with the tax crooks is too well known to dwell upon here, other than to call attention to the fact that such record puts back

in the teeth of those responsible for the charges the utterly false implications conveyed.

As I have indicated, the approach of the investigators was antagonistic to the Bureau. They went into the Bureau with a chip on their shoulders. They were interested in small things, as evidenced by the type of the charges. They were not concerned with any major problems that might have been confronting the Bureau. They were looking for empty whiskey bottles in the basement. They were trying to find out how many employees drank coffee during office hours, and who was leaving the building 5 minutes before closing time. Not one major revenue problem was tackled by these investigators.

A governmental agency with the splendid reputation of the Bureau must have some redeeming procedures, but in the report of the investigators you will find no mention or discussion of such qualities. The investigators went out to get "small stuff," anything that could be used as the basis for a smear campaign, be it truth or fiction, and no one will deny they lived up to that purpose.

I know it cannot be successfully disputed that the Bureau of Internal Revenue has always been regarded as one of the most efficiently operated governmental agencies. It deals with the public in its activities to a greater degree than any other public agency. It has been singularly free from scandal considering the nature of its activities. The keymen of the organization are largely career employees and are professional men, being lawyers, accountants, economists, engineers, and so forth. I cannot but feel the overwhelming majority of the Members of the House feel outraged at this smear attempt. All Members have dealings with the Bureau for their constituents. I have never heard from any Member of this House any criticism of inefficiency on the part of the Bureau or its officials and employees. I know that the Members of this House believe in fair dealing. Therefore, they cannot feel other than embarrassed over the conduct of these investigators which conduct I am now complaining of. Such petty conduct and charges should have no place here. As I have noted, the investigators instead of attempting a constructive job appear to have spent their time and the money of the taxpayers in snooping in the basement of the building in search of empty whisky bottles, or key-hole peeping to catch someone taking a nap, or following some employee to the coffee bar, and other like petty procedure.

Even the committee has paid little attention to the recommendation of their investigators that the 1949 budget be cut $3,000,000, when it has recommended in its report a cut of $530,000.

The committee—page 11 of the report—recommends the Hoover Commission on Organization undertake an investigation at the earliest opportunity of the Bureau's activities. I am sure that the officials of the Bureau will welcome any fair investigation and will furnish all possible assistance just as it was ready and willing to do in the investigation I am discussing, and as it has done in the very recent investigation by the Joint Committee on Federal Taxation which was made practically concurrently with this investigation.

The CHAIRMAN. The Chair wishes to state for the information of the committee that the gentleman from New Jersey [Mr. CANFIELD] has used 1 hour and 28 minutes; the gentleman from Virginia [Mr. GARY], 31 minutes.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

(Mr. WIGGLESWORTH asked and was given permission to revise and extend his remarks.)

Mr. WIGGLESWORTH. Mr. Chairman, the gentleman from Virginia [Mr. GARY] and the gentleman from Kentucky [Mr. BATES], as I understand it, seek to minimize the laxity, inefficiency, and waste of time, effort, and money in the operation of the Bureau of Internal Revenue both here in Washington and in the field, as reported by Appropriations Committee investigators.

The Bureau of Internal Revenue, Mr. Chairman, may not be the worst offender in this respect. In the light of the investigators' report, however, its negligence would seem to merit censorship even from those hardened to the principle that it is proper to maintain thousands of excess workers on the Federal pay roll, providing they vote right at election time.

Take the matter of working hours in the Bureau of Internal Revenue as reported by the investigators. Working hours are apparently supposed to be from 8:15 a. m. to 4:45 p. m. with a 30-minute lunch period and two additional 10-minute rest periods morning and afternoon, known as "coffee time," when personnel are permitted to go to the snack bars for coffee and other refreshments.

The investigators report that lunch periods are usually very much extended and that over an hour is often consumed in respect to the 10-minute rest periods. No check is made by the Bureau. The investigators point out that if we apply this waste of time as an average to 5,066 employees on the Bureau pay roll as of July 1, 1947, it will result in the loss of 5,488 hours per day, or 171,500 days per year. This is equivalent to the loss of $2,200,000 per year.

The investigators also report great loss of time in Washington due to the daily exodus of personnel from the Bureau prior to closing time, and express the opinion that it is more than generous to estimate that the Washington office is securing on the average 6 hours of work per day per employee.

Similar conditions are reported in respect to other offices.

Let me read this excerpt from a supervisor's report dated May 31, 1947, covering an examination of the collector's office in St. Louis, Mo.:

It appeared to the supervisors during the course of this examination that discipline is not as rigidly enforced as it should be, both as to hours of work and the conduct of employees during business hours. Undue visiting among the employees was prevalent, at their desks as well as in the corridors and rest rooms. Thus, it appears that the maximum amount of work is not being secured from the employees, with the result that more employees are needed to accomplish a given amount of work than if the full services of the employees were being received.

There are a score of similar examples.

For instance, the collector of internal revenue for the district of Louisiana, located in the United States Customhouse in New Orleans, admitted that there are substantial abuses of sick leave in his office. The day most often taken, he said, is Friday, because by taking Friday off the Federal employee can take a 3-day week end rather than the usual 2 days.

A review of the 1946 reports submitted by the Bureau's own Supervisors of Accounts and Collections disclosed, that 714 employees were reported to be unsatisfactory or below average. Time prevented the checking of the personnel records of all 714 employees. However, the personnel records of 50 of these, selected at random, were examined and the tabulation revealed 46 percent of the unsatisfactory or below-average employees whose records were test checked still in the service of the Bureau as of September 20, 1947.

Under leave to extend my remarks I include the following sample reports from supervisors in this connection:

Birmingham, Ala. Thirty-five deputy collectors below average.

Little Rock, Ark. Sixteen deputy collectors unsatisfactory.

San Francisco, Calif. Forty-three deputy collectors unsatisfactory.

Los Angeles, Calif. Ninety-three deputy collectors unsatisfactory.

Hartford, Conn. Twenty-eight deputy collectors below average.

Boise, Idaho. Eight deputy collectors unsatisfactory.

Chicago, Ill. Ten deputy collectors unsatisfactory.

Des Moines, Iowa. Thirty-one deputy collectors below average.

Wichita, Kans. Twenty deputy collectors below average.

Louisville, Ky. Fourteen deputy collectors below average.

Baltimore, Md. Thirteen deputy collectors rated poor.

Detroit, Mich. Fifty-two deputy collectors unsatisfactory.

Fargo, N. Dak. Thirteen deputy collectors below average; eight entirely unsatisfactory.

Toledo, Ohio. Eighteen deputy collectors unsatisfactory.

Cleveland, Ohio. Seventeen deputy collectors unsatisfactory.

Oklahoma City, Okla. Twelve deputy collectors unsatisfactory.

Nashville, Tenn. Twenty-one deputy collectors below average.

Austin, Tex. Twelve deputy collectors unsatisfactory.

Parkersburg, W. Va. Twelve deputy collectors unsatisfactory.

Milwaukee, Wis Fifteen deputy collectors unsatisfactory.

In Hartford, Conn., Mr. Chairman, officials of the Internal Revenue Bureau have been indicted recently for violation of the Hatch Act.

In Washington, committee investigators reported hard-to-get metal file cases used as storage bins for old shoes, rubbers, pie plates, tin cans, and so forth.

An enormous waste of paper is also reported, including undistributed tax forms and instruction sheets dating back

to 1921, thousands of bundles of which have never been opened. The Bureau's own tabulation is reported to reflect a total of 81,962,000 undistributed income-tax blanks for the year 1946 alone.

It is impossible to estimate the hundreds of millions of forms which are presumably rotting in storage all over the country.

Mr. Chairman, this is the Government agency which made such a hysterical outcry when its appropriations were cut last spring. This is the agency which, with the help of New Deal propagandists, castigated the action of the Congress and in effect condoned the deplorable conditions within the agency.

The investigator's report is a sad commentary on those who are responsible for the operation of the Bureau of Internal Revenue.

Mr. JACKSON of Washington. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I have served on several different committees in the House of Representatives during my tenure of office here. May I say that I have never served under a chairman who has been more fair and judicious than has the distinguished gentleman from New Jersey [Mr. CANFIELD]. There has been no party division line in our committee in the consideration of appropriations for these departments of Government. The appropriation items have been fully discussed by previous speakers. There is no dispute whatever regarding the appropriations that have been reported to the House. We do differ, however, in the interpretations and the deductions that have been made in connection with the report of the investigators. The gentleman from Kentucky [Mr. BATES], and the gentleman from Virginia [Mr. GARY] have explained pretty much in detail our objections and I have only one or two supplementary remarks to make.

Mr. Chairman, the charge has been made, for instance, that one official, I believe in Wilmington, Del., embezzled some $34,000. Standing by itself without any understanding of the amount of money handled by the Bureau one might come to the conclusion that the Bureau is overrun with crooks. The Bureau of Internal Revenue employees some 50,000 people collecting $40,000,000,000 in taxes annually.

I would like to put this question to the House: Do you know of any business firms that handle large sums of money each year that do not incur some misappropriation of funds during the course of the operation of the businesses? In this connection there is presented to the House this one lone example of a misappropriation of $34,000 out of a total handling of some $40,000,000,000 by the officials of the Bureau of Internal Revenue. Frankly, I think that is a remarkable record in itself. You start checking through the banks of our country that only handle a small proportion of that sum, and I dare say you will find misappropriations running into millions of dollars.

It has been my experience that the officials in the Bureau of Internal Revenue have been men of integrity and ability. We know that particularly the men in the field work long hours without extra compensation for overtime. I know of no more courteous group of people in the service of our Government than the people who make out our income tax returns, and to say because a few here and there may be loafing on the job that the department as a whole is inefficient, seems to me to be an unwarranted inference from the report that has been submitted to the House. I am one who believes very strongly that we should have these investigations from time to time. I think it is a healthy thing to have an accurate check on the executive branch of the Government. But, let us be a little more judicious and a little more careful in the conclusions that we draw from the reports of the investigators. I believe if we do that that we will render a real service to our country.

Mr. CANFIELD. Mr. Chairman, I yield such time as he may desire, to the gentleman from Ohio [Mr. GRIFFITHS], a member of the committee.

Mr. GRIFFITHS. Mr. Chairman, I listened a few moments ago to my good friends, the gentleman from Virginia, the gentleman from Kentucky, and the gentleman from Washington, in regard to the investigations. I am not too much worried about that. Some of them may be a little bit trivial, but some of them, I think, might be productive of pretty good results. I am sorry that my good friend referred to it as a political smear. I do not think it was. He remarked, for instance, about the Newark case where the girls threw the returns down the toilet and flushed them away. Well, what bothers me about that is this: Here is an office. They have certain work to do. Where was the supervision? It took them 3 months to find out that such a thing happened. Do you call that efficiency in an office? Another thing he talks about are the delinquents. Now, if you consider it very good attention on their part that some of them are often 3 years delinquent on answering, well, all right. Personally, I do not.

Sure, a lot of them do it and do a good job of it. Those that do not are wasting money. That is why in another year I want to see some results, or I certainly will not go along on this training program.

One thing that really tickled me was that a few minutes ago someone was talking about the unjustified cut we made last year in the Internal Revenue Bureau. I am not ready to admit that it was an unjustified cut. It came out of the committee unanimously. Maybe the gentleman has changed his opinion now. They did talk last year about our having a $400,000,000 cash loss. If such was the case, do you not suppose the Treasury Department would come around this year and ask for an increase in the appropriation, if they knew the Government was losing $400,000,000? Of course they would. When I asked Secretary Snyder about it, on page 63, he said it might not be a 20-to-1 ratio, it may be 15, it might be 10, or even 5, but he thought any time you collect more money than you spend it is a good thing. I said, "Yes; and it could be a 75-to-1 ratio, too." He admitted that it might possibly be 75 to 1. I think a little bit more efficiency will bring in better than 20 to 1.

There are plenty of good men down there. To tell you the truth, I have never met an internal-revenue agent that was not a pretty good man. I have thought they were pretty tough, personally, several times in my life.

They remarked that we accused them of drinking liquor down in the basement of a building, because there is a picture showing bottles down there. I did not give the picture much attention. I looked at it and saw the name on it, and said to the gentleman from Kentucky that that was not a name I was familiar with, was it a product of his State, and he told me "No," he thought it came from Virginia; that it was not very good stuff, anyhow. So when you see a couple of bottles and then accuse 5,000 people of being drunk, there is nothing to it. Of course, they need a little jacking up, and I think they got it.

Supplementing the remarks made by the chairman of the subcommittee, I would like to comment on three parts of the bill.

The first is the departmental appropriations for the Post Office; the money to be spent here in the District of Columbia. These appropriations amount to $8,037,500, of which $5,877,500 is for salaries. The subcommittee only reduced this estimate for personal services by $240,500, and the reduction was applied chiefly against the requests for a considerable number of new employees. Except for the Office of the Second Assistant Postmaster General and the Bureau of Accounts, all these Washington offices will receive more money for 1949 than they have this year. Reductions below the 1948 figures were made impossible in most cases because of the still increasing postal revenues. The Second Assistant's Bureau was reduced because last year Congress granted funds for temporary employees to assist in the preparation of the Department's defense against the petition of the railroads for a 45 percent mail rate increase. The work of these temporary employees being completed, the Post Office did not recommend their retention and therefore requested less money than was granted last year. A work simplification program is under way in this office, and savings in positions have already been reported.

The First Assistant Postmaster General has the supervision of the mail handlers, such as clerks and carriers and postmasters, and is the office which is directly responsible for the delivery of mail from post offices. This office will receive $47,500 more next year than it had in 1948, making possible the addition of a few new positions, which are needed to clear up a blacklog of work which has developed, and thereafter to keep the work current.

A safety program, which has the full endorsement of the subcommittee, is to be instituted in the Post Office Department, and it is hoped that such a program will be complete and vigorously maintained. An increase of $20,000 has been granted to the office of the Post-

master General to institute such a program. Some reduction has been made in the estimates for the Postmaster General's office because the subcommittee believes, as it did last year, that too much money is being spent for public-relations personnel. This staff should be reduced and the money used for more necessary functions.

The Third Assistant Postmaster General is the fiscal officer of the Post Office, and the appropriations for his Office are up $17,500 over this year. No new employees were requested for this Office, and the increase will be used up through automatic promotions and personnel turn-over. More modern methods could be used in this Office, and the committee has made provision for this by including in the equipment appropriation a proviso calling for the expenditure of $400,000 for such devices in the next fiscal year. Elimination of archaic practices throughout the Department will lead to eventual savings, and it is the belief of the subcommittee that the expenditure of this sum in 1949 will be a good start.

The second point I wish to discuss deals with the Office of the Fourth Assistant Postmaster General, both in Washington and in the field. The departmental office will receive an appropriation which is $39,500 above its 1948 figure, but this represents a reduction of $71,000 from the estimates. This Office has charge of all post-office buildings, the vehicle service, and equipment and supplies. In Washington, 35 additional employees were requested, and this included restoration of 16 positions which Congress abolished this year. The subcommittee did not allow most of these positions because it was felt that to do so would only be augmenting a force which is engaged in performing duties on an outmoded and archaic system. There is little doubt but what the work of this Bureau could be greatly streamlined, with greatly increased efficiency and decreased manpower. This is particularly true of the Topography and Vehicle Divisions. Indicative of the attitude of this Bureau is the fact that it requested removal of the proviso calling for expenditures for modern mechanical devices throughout the Department, even though such a proviso was originally requested by the Third Assistant Postmaster General. Rather than eliminate the proviso, the committee has retained it and has increased the funds covered 100 percent.

In the field one of the items handled by the Fourth Assistant's office is the laundering of towels, and the funds for this purpose have been so mismanaged as to create a national stir. The money for this service comes under the appropriation "Operating supplies for public buildings." When the Department submitted its 1948 estimates for this appropriation the subcommittee found several items which it thought could be reduced, mostly along the line of cleaning supplies and equipment. The committee did not consider it advisable to reduce the estimate for laundering towels, and did not intend that such estimates would be changed. But it was felt that the amount requested for supplies and equipment had been overestimated, just as is the case again this year. For example, the Department feels that all windows in all post offices should be washed once a month, and requests funds to permit this. The committee feels that once every quarter is quite sufficient, and therefore reduces the total estimate accordingly. As another example, the Post Office for 1949 wants to purchase 1,000,000 more sheets of carbon paper than it did in 1948, and the committee scaled down this estimate. The Department, instead of submitting a complete list of specific items it desires to purchase, supplements the lists of specific items with numerous "miscellaneous supplies" or "miscellaneous repairs." Requests submitted in such form were scaled down. The Department, however, seems more anxious to economize in places where the public will take more notice and where greater objections will be raised. Although the Post Office submitted many supplemental estimates for the 1948 appropriations, it was not until the last few weeks that they requested additional money for such laundering, although the curtailment of laundering was public knowledge many months ago. By using common sense in its purchases the Post Office can get along very well without taking steps to call to the public's attention what it chooses to call "penny pinching" on the part of Congress. Another laughable effort along those lines occurred in Detroit, where the superintendent of the Federal Building requested patrons not to use the elevators "when going up one floor or down two floors." This was all because of a cut in Federal appropriations last July, building officials said. It has not yet been possible to determine where any savings were made because elevators did not stop at every floor.

The people are demanding economy in government, and this Congress is trying to give them both economy and efficiency. I think we are doing a pretty good job of it, but it is a sad commentary when the executive departments ignore or deliberately misconstrue the intents of Congress.

It cannot be denied that the Post Office in many instances does cling to archaic methods. Fortunately some of the officials there see this, and would like to modernize and streamline. The Third Assistant Postmaster General asked that a proviso be placed in the equipment item, which comes under the Fourth Assistant, calling for expenditure of $250,000 for modern mechanical devices. As one example, a punch-card system could be installed in the fiscal offices of the Department with such funds. The Fourth Assistant's office recommended to the Bureau of the Budget that this proviso be stricken out, and it was. The committee not only restored it but doubled the previous amount carried so that $500,000 will be available in 1949 for modern mechanical devices.

One item in the Treasury bill I would like to comment on because it involves an appropriation from which much good can come if it is properly spent, but which might lend itself to improper spending. That is the allocation which gives $3,750,000 to the Savings Bonds Division of the Bureau of Public Debt. No one denies that the channeling of United States savings bonds into the hands of individual holders is an excellent idea, nor that benefits will accrue if the proceeds are used to reduce the bank-held portion of the public debt. The Treasury has told us that that would be their program and requested $4,658,000 for the Division of Savings Bonds, to spend on a special sales campaign this spring and summer. In 1948 this Division was originally allotted $2,800,000. Feeling that more money could be used in the special promotional drive, slated to start in May, the Secretary of the Treasury looked around and found a savings of $700,000 in the Bureau of the Public Debt, money which the Bureau was not going to spend for the purpose for which it was appropriated by Congress. The Secretary took this $700,000 and gave it to the Savings Bond Division, making a total of $3,500,000 the Division has to spend in fiscal 1948. They have planned an enormous campaign, involving radio programs, pamphlets, advertisements, movies, and similar forms of promotion. They plan to organize special divisions to promote sales among farmers, women, unions, Negroes, schools, and other groups. The plan was gargantuan, enormous, stupendous, and breathtaking. It was also extravagant, wasteful, and ill-conceived. It included almost every promotional idea thought up by man except for trained seals and hula dancers.

As a part of the fight against inflation, increased sale of Savings Bonds is a commendable idea, but it is not necessary to waste millions of dollars to promote such sales. The subcommittee has received protests from school principals about the wasteful type of material sent to them. We have had complaints about the radio programs, which certainly are not up to the standard set in other Government-sponsored broadcasts. Too little emphasis has been given to the participation of volunteer workers in the program. The Comptroller General has submitted a memorandum indicating excessive and unnecessary communications expenses. After very careful consideration, the subcommittee determined that the entire special bond drive could be run successfully on $1,000,000 in fiscal 1949, which is in addition to the $700,000 available for such special purpose in fiscal 1948. All of this is in adidtion to the normal operating expenses of the Division, for which $2,800,000 is available in 1948, and an equal amount in 1949.

Mr. GARY. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ANGELL. Mr. Chairman, the Associated Press carries the news reports of a felonious attack upon Pfc Jack Grunden, a boy 18 years of age who lives in Portland, Oreg., in my congressional district, by a Russian sentry, in front of the Russian Soviet headquarters in Vienna. According to the press dispatches, this American soldier boy, with

some companions, was passing in front of the Russian Embassy when Russian soldiers approached them and, according to reports, ordered them off the street and commanded them to walk in the gutter. The Oregon soldier was knocked down, beaten, and shot, and as a result he may lose an arm or his life. He is now hospitalized and a full report of his condition will not be known for some time. Other members of the party were seized by the Russians and some of them severely beaten and manhandled.

I have asked for a full report of this tragic happening and demanded that our officials leave no stone unturned to see that justice is done and the guilty parties punished.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. ANGELL. I yield.

Mr. CANFIELD. The press reports indicate that that terrible tragedy happened in front of the Grand Hotel in Vienna. I recall that sometime last September I was quartered with the congressional committee in the Bristol Hotel in the same block. In front of the Bristol Hotel, which was occupied by the American mission, there were no armed guards, but in front of the Grand Hotel there were Russian Guards with bayonets and no person was allowed to stand for a moment in front of that hotel.

Mr. ANGELL. I thank the gentleman for his contribution.

Mr. GARY. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, I have introduced a resolution providing for the apprehension and elimination of Communists and other advocates of subversive doctrines in the employ of the Government.

I ask unanimous consent, Mr. Chairman, that the reading clerk read the resolution in my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read as follows:

Resolved, That the Committee on Appropriations, acting through a special subcommittee thereof appointed by the chairman of such committee for the purposes of this resolution, is authorized and directed to examine into any and all allegations or charges that certain persons in the employ of the several executive departments and other executive agencies are unfit to continue in such employment by reason of their present association or membership or past association or membership in or with organizations whose aims or purposes are or have been subversive to the Government of the United States. Such examination shall be pursued with the view of obtaining all available evidence bearing upon each particular case and reporting to the House the conclusions of the committee with respect to each such case in the light of the factual evidence obtained.

If in the opinion of the committee such evidence indicates conclusively the unfitness of any employee or employees of any department or agency of the Government to continue in such employment, the committee shall report the result of its investigations to the House. The report shall be accompanied by a House resolution concurring in the conclusions reported by the committee and expressing the opinion that such employees, designated by name and position, should be separated from the service of the Government, such resolution when approved by the House to be transmitted to the President of the United States.

For the purposes of this resolution, such committee or any subcommittee thereof is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses, and the production of such books or papers or documents or vouchers by subpena or otherwise, and to take such testimony and records as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or subcommittee or by any person designated by him, and shall be served by such person or persons as the chairman of the committee or subcommittee may designate. The chairman of the committee or subcommittee, or any member thereof, may administer oaths to witnesses.

Mr. CANNON. Mr. Chairman, this is no doubt a very familiar resolution to the Members of the House. It is the same resolution which I introduced in the first session of the Seventy-eighth Congress with the exception that instead of providing for the denial of appropriations for the pay of persons who have been found to be Communists or disseminators of subversive doctrines, it provides that the committee shall follow the same procedure in calling up persons charged with subversive activities, examining them, and reporting its findings to the House. Under this resolution, if the findings indicate Communist affiliations, the House shall by resolution approve the committee findings and certify the evidence to the President of the United States with recommendation of summary action by him.

Otherwise this resolution is identical with the resolution adopted in 1943 which effected the elimination from the service of the Government of every man reported by the committee to the House.

Mr. Chairman, we have witnessed within the last 3 years, and especially in the last 3 weeks, the destruction of free governments and the subjugation of free people throughout Europe and Asia. In each country it has been an instance of undisguised, unwarranted, and unprovoked aggression, such as can be found only in remotest medieval history.

The pattern followed in the conquest of each of these sovereign states has been identical. First, the foreign aggressors have organized a fifth column on the inside; then they have placed Communists in key positions, and through infiltration have taken over the control of the important administrative offices. Eventually they close in and send all patriots who oppose them to concentration camps or liquidate them before firing squads, or with the assassin's knife. The result is that without a declaration of war, without firing a shot, except in assassination or intimidation, they have subjugated great and prosperous nations and conscripted and sequestered life and property as arbitrarily and as completely as in any ancient despotism.

Now, the feature of this incredible usurpation and devastation which concerns us and which gives rise to apprehension in every civilized country today is that it is all a part of a progressive program. There might have been occasion to think, when they first took over two or three neighboring nations that there was some particular need for the establishment of zones or buffer states which justified their acquisition. But, the deadly and considered method of these rapidly spreading conquests has now become all too evident to leave room for any doubt about their ultimate objective.

All the testimony before our committee corroborates the conclusion that it is a part of a long conceived and carefully planned campaign of world domination, not only of government but of ideologies, of philosophies so alien and so hostile to our institutions and our form of government as to make it impossible for both to exist in the same country. No one can doubt that these series of conquests, the absorption of state after state, have for their eventual purpose the conquest of America.

I do not have to say that the foremost desire of every American citizen, so far as our international relations are concerned, is to avoid a third world war. As a people we would make almost any reasonable sacrifice to establish enduring peace. But here in the third year since the close of the war we are no nearer a treaty guaranteeing the integrity of the nations of the world than we were when Japan capitulated. And as far as we can look into the disturbed and uncertain future there is today no prospect for peace or any agreement of any kind short of armed readiness for any eventuality.

Under these unhappy circumstances and in the light of the tragic experience of a dozen nations which have been destroyed from within, the integrity and loyalty of the employees of our Government becomes our first line of defense. If those employees are not dependable, if disloyalty creeps into the citadel itself we are nearing the beginning of the final crisis. We would then be following precisely the pattern followed in the subjugation of every European and Asiatic state which has been taken over.

There is reason to believe that vast sums of money have been expended and a far-reaching network of espionage has been at work in this country for some time with the purpose of establishing a fifth column which, when the opportune time arrives, will cooperate with disloyal forces on the inside to take over our Government and destroy the very agencies that should protect us. So, any charge, Mr. Chairman, that there is disloyalty among Government employees of the United States, however fantastic it may appear merits our earnest attention. With that in view, I have introduced this resolution.

It seems incredible that any American citizen would connive at the destruction of his own Government, especially when

he contrasts its prosperity with the products of communism over on the other side.

But the chairman of the Committee on Appropriations has charged that there are 14 Communists in the Department of State, and similar charges have been made by others from time to time. We were told in the last campaign that our Government departments, especially the Department of State, was honeycombed with communism. In one campaign speech it was claimed that there were officials high in the inner councils of government who reported to Stalin before they reported to the President of the United States. Such charges demand attention, and not only attention, but action. That is what is proposed in this resolution. We propose not to take it out in talking but to do something about it.

This resolution is in keeping with the record made by the administration and by the three previous Congresses, the only administration and the only Congresses which have attempted to eliminate Communists and communism from Government departments. Up to 1939 no action was taken by any administration or by any Congress to weed out disloyalty among Government employees.

The first step taken with a view to eliminating communism and disloyalty was on August 2, 1939, when we passed the Hatch Act, which included among other provisions the prevention of any person employed in any capacity in any agency of the Federal Government from holding membership in any political party or organization advocating the overthrow of our constitutional form of government. For the first time in the history of the Government we adopted means of actively combating subversive activities in the departments.

Subsequently beginning July 1, 1941, we included in all of the appropriation acts provisions that no part of any appropriation should be used to pay the salary of any person who advocates or is a member of any organization that advocates the overthrow of the Government of the United States by force or violence.

On February 5, 1943, in the first session of the Seventy-eighth Congress, we adopted a resolution authorizing the Committee on Appropriations to investigate and to report to the House the names of any employees whom evidence indicated to be Communists, with a recommendation that their salaries be denied.

Then on July 5, 1946, we adopted the provision known as the McCarran amendment, according the Secretary of State power of summary removal of all Communists and subversives from his department.

In brief, for the last several years we have developed for the first time in the history of the Government a consistent program of action to eliminate subversives from the service of the Government. As indicative of the attitude of the administration on this program, Mr. Chairman, I ask unanimous consent that the Clerk read the preface of this Executive order.

The CHAIRMAN. Without objection, the Clerk will read the matter referred to by the gentleman from Missouri [Mr. CANNON].

There was no objection.

The Clerk read as follows:

EXECUTIVE ORDER PRESCRIBING PROCEDURES FOR THE ADMINISTRATION OF AN EMPLOYEES LOYALTY PROGRAM IN THE EXECUTIVE BRANCH OF THE GOVERNMENT

Whereas each employee of the Government of the United States is endowed with a measure of trusteeship over the democratic processes which are the heart and sinews of the United States; and

Whereas it is of vital importance that persons employed in the Federal service be of complete and unswerving loyalty to the United States; and

Whereas, although the loyalty of by far the overwhelming majority of all Government employees is beyond question, the presence within the Government service of any disloyal or subversive person constitutees a threat to our democratic processes; and

Whereas maximum protection must be afforded the United States against infiltration of disloyal persons into the ranks of its employees, and equal protection from unfounded accusations of disloyalty must be afforded the loyal employees of the Government:

Now, therefore, by virtue of the authority vested in me by the Constitution and statutes of the United States, including the Civil Service Act of 1883 (22 Stat. 403), as amended, and section 9A of the act approved August 2, 1939 (18 U. S. C. 61i), and as President and Chief Executive of the United States, it is hereby, in the interest of the internal management of the Government ordered as follows:

PART I—INVESTIGATION OF APPLICANTS

1. There shall be a loyalty investigation of every person entering the civilian employment of any department or agency of the executive branch of the Federal Government.

Mr. CANNON. Mr. Chairman, this Executive order, of course, is signed by Harry S. Truman, President of the United States. I ask unanimous consent that the Clerk read the names of the Commissioners appointed under this order.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

A. Devitt Vanech, Special Assistant to the Attorney General, Department of Justice (chairman).

John E. Peurifoy, Acting Assistant Secretary of State for Administration, Department of State.

Edward H. Foley, Jr., Assistant Secretary of the Treasury, Department of the Treasury.

Kenneth C. Royall, Under Secretary of War, Department of War.

John L. Sullivan, Under Secretary of the Navy, Department of the Navy.

Harry B. Mitchell, President, Civil Service Commission.

Mr. CANNON. It will be noted that the highest type of Commissioners, men of unquestioned ability and integrity, have been selected for this important duty.

And we have secured results. According to the report made by the Commission before its duties were transferred to the Loyalty Review Board, it investigated 402,086 cases. Of those 402,086 cases, 44,490 were rated as ineligible. Of those rated ineligible, 1,323 were declared ineligible solely upon loyalty grounds. Not a one of those 1,323 employees is now in the employ of the Government. All have been removed. It shows that we not only took action but we secured results.

Now this Congress, also, has an obligation and a duty in the continuation of this record. And I have been waiting for the majority to bring in such a resolution as has just been read, or at least the authorization of some method of eliminating these Communists who are said to be in the Government and particularly in the State Department. No one will give heartier cooperation and support of any effective measure for that purpose than we will give on this side of the aisle. Why not appoint a subcommittee in the Committee on Appropriations as we did in the previous Congress and call those 14 men the chairman says are down there in the Department up here and dispose of them? Some may insist that 14 dissidents out of 20,000 employees in the Department of State is relatively a very small number but if there is only one down there, that is one too many, and he should be removed and this Congress should take steps to remove him.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New York the distinguished chairman of the Committee on Appropriations.

Mr. TABER. As a result of the pressure that has been put on, 2 of those 14 were dismissed last week. I am hopeful that the others will be soon.

Mr. CANNON. Well, I do not know why we should say it was done as a result of pressure. We have been finding them and firing them right along. We have already got rid of 1,323, most of them long before any pressure could have been been brought to bear by the Congress. And the administration is still removing them and the House is doing nothing to cooperate. Members of the House have talked about communism in the department on every possible occasion, but they have done nothing to eliminate it. Here is a chance to do something about it.

The departments have their obligations in eliminating subversives. The administration has its obligation in removing disloyal persons from the employ of the Government. But the Congress also has its obligation, and up to this time it has contented itself with charges that Communists infest the departments and should be removed but has done nothing to remove them. Here is an opportunity to demonstrate the faith that is in us; that is in you. Here is a resolution to transmit talk into action. If, however, the majority think some other method is more desirable or will prove more effective, let us have it. We will cooperate.

Let us not be content to sit down and simply say, "There are Communists down there," and then do nothing about it.

So far as this resolution is concerned there are three objections that will be made to the method proposed.

First, those who do not want to do anything, who want to take it out in talking, will object that we already have

a committee. And that is true. We have a Committee on Expenditures and a Committee on Un-American Activities.

But, Mr. Chairman, that was exactly the situation when we adopted this resolution in the Seventy-eighth Congress. There were other committees authorized to act at the time. But nothwithstanding the existence of these other facilities you voted for it. The Speaker of the House, the gentleman from Massachusetts [Mr. MARTIN] voted for this resolution; the chairman of the Committee on Appropriations, the gentleman from New York [Mr. TABER], voted for this resolution; the gentleman from Indiana, the majority leader of the House, voted for this resolution. If they voted for it then, if it was a good resolution then, why is it not a good resolution now?

The second objection that will be advanced by those who prefer to sit down and let the departments fight it out with communism unassisted is that under the McCarran resolution the Secretary of State can dismiss any Communist found in the Department of State. That is correct, and we were told here on the floor Thursday by the gentleman from Alabama that every one of the cases which have been processed has been submitted personally to General Marshall, and General Marshall has either approved separation or has found the charges were without foundation.

But the charge is made by the chairman of the Committee on Appropriations that notwithstanding the McCarran amendment the Department of State is not getting rid of the Communists down there, that General Marshall is leaving them in. It is difficult to believe that General Marshall would leave any traitor anywhere, must less in the State Department, when evidence was submitted showing they were guilty. If that evidence has not been submitted to him here is a method of securing it and certifying it to him in a manner that cannot be ignored.

If the Department of State will not do it, let us do it, let us get rid of these 14 Communists and any others that are down there, or in any other department.

The third objection will perhaps be made that this resolution is not binding on the President. And it is not. But if we pass on to the President the deliberate and considered judgment of the House, naming these men and giving their positions, and stating that in the opinion of the House they are Communists, and should be dismissed we will get results. Even if the President wanted to keep these Communists in the bosom of the Government, which is unthinkable, the weight of public opinion would force them out. We have seen aroused public opinion operate. We saw the effect of pitiless publicity on the three fellows we had up here in the last Congress. When payment of their salaries was refused they applied to the Court of Claims and the Court of Claims sustained them. We carried it up to the Supreme Court. The Supreme Court said they were entitled to draw their back pay.

But their position was untenable. All three of them resigned. The department was too hot to hold them. Public opinion was too intense to permit them to stay. We got rid of them. If we handled those 3 we can handle these 14 just as effectively and just as expeditiously under this resolution.

The other day when this matter was up, the gentleman from Wisconsin [Mr. KEEFE] took issue with me and made the statement that the facts were being garbled, that the facts were not given, or that the facts were misrepresented. I have notified the gentleman from Wisconsin [Mr. KEEFE] that I would take this up today. May I say that if there is any misstatement of fact, and apparently there was, it was the gentleman from Wisconsin who was guilty of the misstatement of facts on this floor. Here is what he said:

He—

The gentleman from Wisconsin—

should get himself in accord with the facts and not make the charge on the floor of the House that the Republican chairman and the Republican Committee on Appropriations are falling in their responsibilities to get rid of communism existing in the State Department.

Well, now, what other conclusion can there be? The chairman of the committee made the statement on the floor that the Communists were there and he has done nothing to get rid of them. At least, no action has been recommended or reported to this House providing any kind of a method for their disposition.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. GARY. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. CANNON. Mr. Chairman, the gentleman from Wisconsin then said:

The gentleman from Missouri makes the bald statement that under his administration as chairman he got rid of three of them and challenges the present chairman to emulate him in doing the things which he says never took place at all. * * * They did not fire these people at all. They stayed on the job.

Anybody knows that a Communist never gives up a job on the inside as long as he can hold it. These people would be in their jobs today if we had not taken action. We did get rid of them. They are no longer a part of the Government. All of them were out of the employ of the Government before the opinion was handed down by the Supreme Court.

Now, the gentleman from Wisconsin takes great credit to himself for the part that he had in this proceeding.

He makes the statement that he had the honor to suggest on the floor of the House that a new special committee should be appointed for this purpose. And he says it was done. You get the impression, in reading his speech, that he initiated the proceedings. As a matter of fact, all he ever did was to go along with the Democratic majority. The matter was first suggested by the gentleman from Florida [Mr. HENDRICKS], who, in 1942, proposed that action be taken, and who, in 1943, offered an amendment to deny the salary of certain men accused of being Communists. At the time that amendment was under consideration, the gentleman from Wisconsin [Mr. KEEFE] debated the question. He made no suggestion whatever that he had ever thought of taking any such action. He was undoubtedly present, because he is quoted in the RECORD as saying:

The very voices that are now crying out against the adoption of this amendment, however, are the voices that in the last campaign villified me because of my pre-Pearl Harbor votes.

He seems to be sensitive about his pre-Pearl Harbor votes.

And Mr. O'Connor interrupted him to say:

I was branded just the same as was the gentleman from Wisconsin [Mr. KEEFE] by the New Republic as being an agent of the Nazi government.

The gentleman from Wisconsin [Mr. KEEFE] acquiesced:

I remember well the situation that existed in this country at the time of the last war. I know how emotions can be whipped up, and I feel that we should act deliberately in this matter with full knowledge of what we are doing.

Then he makes a statement that he was appointed on the committee by the Speaker of the House. He had just previously said he was glad I had appointed him. So, it is a question of when the gentleman was making a misstatement. Was he making a misstatement when he said he was appointed by the chairman of the committee or when he said he was appointed by the Speaker? Certainly, he was making a misstatement when he said we did not get rid of the three Communists.

The gentleman from Wisconsin not only contradicted himself but he also contradicted the gentleman from Minnesota [Mr. JUDD] when he insisted that due to the decision of the Supreme Court the committees of the House were without power to rid the department of Communists and other objectionable employees. The gentleman from Minnesota [Mr. JUDD] in the same colloquy stated that his committee, the Committee on Expenditures in the Executive Departments, was getting rid of many of them. If the method by which the Committee on Expenditures in the Executive Departments is getting rid of the Communists in the departments is not permissible under this resolution, then let us adopt the plan followed so effectively by Mr. JUDD'S committee. Let us use it on the 14 Communists which the chairman of the Committee on Appropriations tells us are impregnably intrenched in the State Department. Let us either take steps to get rid of Communist-affiliated employees in the Government or quit talking about them.

Mr. Chairman, these are dangerous times. No one familiar with the international situation can view the future without concern. I cannot bring myself to believe that we are in danger of a shooting war, at least not in the near future, although unquestionably there is always the possibility of unexpected developments.

Mr. McDOWELL. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Pennsylvania.

Mr. McDOWELL. I regret that I have not been here long enough to hear all of the remarks of the distinguished gentleman from Missouri. But I am wondering if this thing that he is trying to do is not paralleling the Committee on Un-American Activities.

Mr. CANNON. I am sorry the gentleman came on the floor so recently, as I discussed at some length the gentleman's suggestion, and if he will consult the RECORD tomorrow he will find it.

I sincerely trust the leaders of the House will be able to give some consideration to the resolution here proposed, and if it does not meet with their approval, that they will propose some other method of attaining the same end. Regardless of the method used, we are all in accord on the necessity of maintaining the integrity and loyal efficiency of the departments of the Government, and especially the Department of State.

Mr. CANFIELD. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. KILBURN].

Mr. KILBURN. Mr. Chairman, in my opinion, and in the opinion of many responsible people in this country, the European situation is fast approaching a climax. We all want to avoid war, and, on the other hand, no thinking person in this country wants Russia to get control of all Europe or Asia. Their present bloodless infiltration is rapidly extinguishing liberty and freedom over more and more of the world outside of this hemisphere. It must be stopped. The so-called Marshall plan is a method proposed to stop it and avoid a bloody war of total destruction. I am for the Marshall plan and will vote accordingly. I am in hopes that the two Houses of the Congress can produce a practical and workable bill which will do the job.

But, above all, the present situation calls for speed. I feel that the leadership in both Houses should for the moment set aside other things and complete this legislation at the very earliest possible moment. Certainly before the elections take place in Italy.

I fully realize the many differences of opinion on this matter, but I think we are all agreed that it is nonpartisan, as far as the political parties go, and I am sure that everyone is acting as an American and not as a Republican or Democrat on this question. That is as it should be. As I stated, I am for the Marshall plan, but whether you are for it or against it, let us bring it up and decide it now. I hope it goes through and will do the job.

(Mr. KILBURN asked and was given permission to revise and extend his remarks.)

[Mr. DIRKSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. GARY. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, there is no one whose lovable personality has so endeared itself to the membership of this House as that of the gifted gentleman from Illinois. And his persuasive and beguiling voice charms any audience.

In Germany I was told that his broadcast, in which he spoke in German to all of central Europe, was the most notable broadcast of the year, and indicating the effectiveness of his message, the station received an exceptional amount of fan mail as result of the speech. They had letters from more than one in which it was said that the speech had saved them from self destruction; that the speech gave them courage, gave them heart, as listening to it they realized that with the friendship of America, there was still hope, still opportunity to redeem themselves and their country again.

It is a matter of deep personal gratification to me, as I am certain it is to all Members of the House, that his health has improved so consistently and so rapidly that there is now every reason to hope that he can continue his service in the next Congress. Certainly, there is no one man whose retirement from the House would be such a loss to the Congress and the country as the retirement of the gentleman from Illinois [Mr. DIRKSEN].

However, even the greatest and wisest of men sometimes fall into error. So, although contrary to his confident prediction I will have to remind you that beyond peradventure of a doubt, the benevolent administration of President Truman and the accompanying and consequent prosperity of the Nation will continue on through 1952.

Mr. GARY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. WILSON].

Mr. WILSON of Texas. Mr. Chairman, it is difficult to follow such a speaker as the gentleman from Illinois [Mr. DIRKSEN], because I consider him one of the most persuasive speakers I have ever heard. He usually has his facts and he presents them like an artist.

I want to agree with the statements of the gentleman from Illinois [Mr. DIRKSEN] with regard to the Post Office Department and with reference to many economies and more efficient methods that possibly could be adopted in the Internal Revenue Department.

I also rise because the name of my city of Dallas was called by the chairman of the subcommittee with regard to an investigation by the committee investigators showing inefficiency to a certain degree and some other things that are set out in the report in 1946. Our internal revenue collector up until 1946 was Mr. W. A. Thomas. He was one of the most efficient, one of the finest, most capable and hardworking gentlemen that I have ever known in any collector's office. He was sick for several months and died early in 1946, and another man in the office was appointed as acting collector. Mr. Thomas' office was never accused by anybody of being inefficient. Thereafter Mr. John Dunlap, the present acting collector, a very fine man, who has been at the head of five different departments in that office, and who has been a career man with the Internal Revenue Department for some 15 or 16 years prior to the time of the war, was appointed. Mr. Dunlap was a commander on active duty in the South Pacific during World War II. At this time he has instituted many economies. He has brought that office closer to the taxpaying public and has instilled in the hearts and minds of the employees of that great office every confidence and also has won the confidence of the public. It is a great office. They have something like a thousand or more employees in that office.

I saw an article in one of the local papers in Dallas a day or two ago where in Texas there was collected in 1947 just under $1,000,000,000 of Federal income taxes. That is a mammoth job. That is a mammoth job to be handled by anybody. So, I say, regardless of the fact that in December 1946, I believe it was, after the death of our internal revenue collector, Mr. Thomas, who had been the collector for 10 or 12 years, there may have been a season when some little efficiency or lack of proper system was used in the office, that confidence should not be lacking in that office. But I say that Mr. W. A. Thomas, than whom there was no finer man, and our present acting internal revenue collector, Mr. John Dunlap, have done an excellent job, and I do not think, if the investigators for this committee would return to that district, that they would find any unanswered mail for months, but that they would find a smooth-running organization, presided over by a career man who has been the head of five different departments of that office, and who knows his job, and who has the disposition and inclination and the desire to get every bit of efficient work out of every employee and use as few employees as possible. No finer, more capable, efficient, and honest public servant can be found than Mr. Dunlap.

Mr. Chairman, I have voted for economy since I have been here. I have voted for cuts in the Budget. I ran on a platform of economy, and I believe in economy. I try to run my own personal business in an economic manner. But when I went home last summer to my office in the Federal Building, on the same floor with the internal revenue collector, I was told by various people in that office that they had to fire 50 field employees. I do not know whose fault it was, whether the revenue office took no cut in Washington and put it all out in the field or not, and maybe that was the trouble, but they told me that many dollars would be lost by reason of the fact that 50 field men in the Dallas area were required to be fired because of lack of funds. But, however that may be, I believe that the Revenue Department is one of the most, if not the most important department in the Federal Government, because certainly no other department can exist without the Internal Revenue Department. And they must do a job honestly and efficiently, and they must have sufficient money to hire capable people to do the job. The thing that we are all looking and working forward to is perfection, of course, but I think the Internal Revenue Department has done a great job, and I think this committee has done a great job. Let's

be sure to give the Revenue Department enough money to operate efficiently. It is false economy to do otherwise.

Mr. CANFIELD. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. ROBERTSON], a member of the subcommittee.

Mr. ROBERTSON. Mr. Chairman, it is a matter of great personal satisfaction that the Subcommittees on Appropriations on which I am privileged to serve have been able thus far to bring to the floor of Congress, unanimous reports. This has occurred on the Subcommittee on Independent Offices, and I am happy to say that we come before you today as the Subcommittee on Appropriations dealing with Treasury and Post Office Departments with a unanimous report.

I feel, Mr. Chairman, that this has been made possible in this instance by the exceptional leadership of our distinguished chairman, the Honorable GORDON CANFIELD. It is a pleasure to serve under him, and to serve with him one is soon convinced that he is master of the situation. He is a new chairman. This is another evidence of how men rapidly develop when responsibilities are thrust upon them.

I pay tribute today also to the accomplished clerk of the committee, Mr. Claude Hobbs. He, too, has a complete grasp of the problems before us. In addition to Mr. Hobbs, the distinguished chairman, Mr. CANFIELD, has his able assistant, Mr. Murphy, who is likewise a student of the questions associated with the Treasury and Post Office Departments. He is of great help.

The very able gentlemen, Congressmen DIRKSEN and GRIFFITHS, are untiring in their efforts in behalf of this important work, and I salute also the members of the minority, Mr. GARY, Mr. BATES of Kentucky, and Mr. JACKSON. There seems to be an effort on their part to work in the national interest at all times, paying due respect to the chairman, and while presenting forthrightly their views, especially where they differ, they attempt to find a common working ground in order that we may come before you with a united report.

The distinguished chairman has covered the over-all picture in a most able manner. It will not be necessary for me to touch upon the full report. I shall confine myself to three special items which claim my particular interest—the Bureau of Federal Supply, Secret Service, and the star routes.

I should like to say to you, Mr. Chairman, that the total reduction this year on this bill amounts to $35,903,850. This is divided as follows: From the Post Office Department we have made a reduction of $19,375,250, from the Treasury, $16,528,600.

The Subcommittees on Appropriations are frequently charged by other Members with not making adequate reductions in the appropriations. It is a difficult question indeed because by legislation passed by this House in years in the recent past, we have established certain additions which make appropriations in many respects of a permanent nature and cannot be cut. Only by discontinuation of certain Government services can the national budget be materially reduced in the future.

So I say, when considering Budget estimates for various governmental bureaus, appropriations subcommittees often encounter problems which are beyond their jurisdiction under the rules of the House. Subcommittees on appropriations cannot legislate departmental reorganizations, but they can make such recommendations in the accompanying report. It is my considered judgment, in connection with the Treasury Department appropriation bill now before us, two administrative changes which would be beneficial and possibly productive of economies are definitely apparent. One is the Bureau of Federal Supply. This is a sort of octopus in the so-called bureaucracy of our national government. It is the centralized purchasing bureau for most Government agencies.

Steps are already being taken, at the suggestion of the Executive branch, to transfer this entire agency from the Treasury to the Federal Works Agency. The Hoover Commission on Organization of the Executive Branch of the Government is surveying all the supply and procurement activities of the Government, and well they should. Such a study is long overdue.

I should like to dwell briefly on the Bureau of Federal Supply. It has mushroomed to its present great size without any clear-cut statutory directives. Much of its authority is derived from these annual appropriation bills. Some departments, such as the Post Office, submitted evidence that their purchases were being made in the open market at a savings over the Bureau of Federal Supply prices. I refer you to pages 339 through 343 of the hearings on this bill, and in these pages you will find a report of the Bureau of the Budget showing the use or nonuse of this Bureau by Government corporations.

As I listened to the witnesses present their case for the Bureau of Federal Supply, I was inclined to feel that this is one of the affairs of the United States Government that has gotten clearly out of control of the Congress. Peculiarly, many American people for a long span of years have held to the principle that by concentrated buying, enormous savings could be made. A great many people hold to the belief that a concern that purchases a trainload of material purchases it at a vastly lower price than one who purchases a carload. And the principle carries on down the line as you approach the smaller proportions.

To one who has had a life-long experience in the capacity of purchasing, I have observed that in most instances there is not a great deal of difference in the price awarded to the smaller purchaser from that awarded to the large purchaser. After all is said and done, the manufacturer of a product must obtain from any purchaser a price which carries with it a reasonable profit, and if he is to make excessive reductions because of volume purchases, he will soon wipe out his profit.

I should not want to say to this Congress that we should abolish the Bureau of Federal Supply, but I do say it should be carefully studied, and I do say it is my considered judgment that in many instances the departments themselves could probably purchase more advantageously than they do through the Bureau. Whenever you engage in the purchasing business of supplies especially on a proportion basis, such as is used by the Bureau of Federal Supplies, you are involved with the question of inventories, and here it calls for the greatest skill in merchandising.

Merchandising is a business which succeeds by reason of a rapid turn-over. It matters little how great is the saving made in purchases if perchance the goods purchased remain in inventory as dead stock for a long span of time. This can happen readily in large proportions and can happen readily when purchasing goods for the various governmental departments.

The Bureau is subject only to the demand of the departments. They cannot force sales as would be the case with a large retailer. A large retailer, when he discovers inactivity in some section of his inventory, can pressure by advertising in a sales campaign and move out the slow goods. Slow-moving goods have various ways of absorbing all savings made at a low purchase price. Large inventories call for added cost in superintendency, rentals, depreciation, and warehousing. Even these few situations quickly destroy the value obtained by concentrated purchasing.

Although originally a purchasing agency, the Bureau of Federal Supplies has added many nonpurchasing functions in recent years. Some of these such as the centralized traffic-control plan may be economical. Some such as the Special Furnishings Section to design furniture for Government offices may not be economical. Some of its divisions, such as the Standards Branch, may duplicate the work of other Government agencies, such as the National Bureau of Standards. It must therefore be borne in mind in considering this Bureau that we are not dealing solely with a centralized purchasing agency for the Government.

I have indicated to you it is no small institution. Its original estimates as submitted to the committee called for expenditures of $375,000,000, which is considerably more than is contained in this bill for all other Treasury expenditures combined. This original request included $365,000,000 for strategic and critical materials for the military as part of the national defense and security program. Although consideration of this item has been deferred, as the chairman has indicated, it does give some idea of the scope of the Bureau. I should like to remind you that this Bureau does not serve the armed forces and some other agencies and corporations within the Government.

Another large request of the Bureau was for $10,000,000 to increase the capital of the general supply fund. This in itself in my personal judgment opens the doorway for unending trouble. In private enterprise a man capable of managing a merchandising institution, operating in these proportions, would probably be paid a salary of from fifty to one hundred thousand dollars per year. And

he would have to be one with a long-established record of merchandising achievements to even be considered by the board of directors for this important post.

Wisely, the committee disallowed this request, and we believe with great justification. The supply fund has operated successfully in the past on $8,000,000 capital. The balance sheet of this fund for the years 1943 through 1947 appears on page 400 of the hearings. It does not indicate that the Bureau has been prejudiced in any way on its present capital. It does show, as do tables on page 374, that a shocking condition exists whereby other Government agencies have large past-due accounts with the Bureau. Almost $1,000,000 had been due from other agencies for periods of more than 30 days on the last day of 1947.

So, in addition to a high-priced manager, it is very evident that they need a high-priced credit man. Some accounts are more than 75 days old. As a result, the credit position of the Bureau of Federal Supply is bad. It is inconceivable that this Bureau should come before the Congress and ask for a $10,000,000 appropriation in the face of the fact that with a sizeable capital structure they are unable to so manage their affairs to keep their credit structure in good standing.

It was admitted by the officials of the Bureau, whose testimony can be found on page 405 of the hearings, that the credit standing of the Bureau is bad. It would seem to me that the Bureau should insist on prompt payments. The Congress is making appropriations to the agencies to buy goods. They should not alone insist on prompt payment from their purchasers, but should attempt to work out with the General Accounting Office or other agencies a system of prepayment. Agencies know how much they have appropriated and will be able to spend. They would suffer no loss through prepayment, yet the Government might then be able to take advantage of cash discounts for prompt payment. The management admits that they are losing discounts because of their inability to pay bills on time.

This bill contains sufficient funds to continue the operation of the Bureau in all of its essential functions during 1949. By the time the estimates for fiscal 1950 are submitted, let us hope that this entire picture has been clarified.

The second change which would improve the efficiency of the Treasury does not require legislation and could be accomplished by an executive order of the Secretary. That would transfer the Treasury buildings guard force from Secret Service and place it under the Department's Director of Administrative Services. The guard force personnel are not Secret Service men, although the committee learned that they sometimes pose as such. They are building guards, performing a custodial function, and they should not even administratively be a part of one of the greatest police and detective forces in the world.

The subcommittee is very much impressed with the job which confronts the Secret Service, and the amount carried in this bill for the regular Secret Service work, which is $2,169,600, is the full amount requested in the Budget. The work of the Secret Service in the prevention and detection of counterfeiting can no longer be confined to this country. Some of the most extensive counterfeiting of our money today is in Europe and in China, and the Secret Service must engage in world-wide endeavors to protect our currency. This is especially true today when the United States dollar is more in demand throughout the world than ever before, and furthermore when greater amounts of currency and securities are in circulation in this country than ever before. It is reasonable, I believe, that our currency demands the greatest possible protection.

Not only is counterfeiting a problem, but so is forgery of Government securities. In 1947 the Secret Service was called upon to investigate 34,600 claims against the Treasury involving checks, and 22,000 investigations involved stolen, altered, or forged bonds. Last year the Division of Disbursement sent out over 160,600,000 checks, and next year they estimate that this number will increase by 7,000,000. It is the job of the Secret Service to see that forgeries of these checks are kept to an absolute minimum, and preferably eliminated entirely. It is a tremendous task.

We must not overlook that the primary function of the Secret Service is the protection of the President, and in a troubled world such as that in which we are living, every single bit of possible protection must be afforded. It is in the light of these situations that the request of the Secret Service and the White House Police seem fully justified and we recommend that they be granted.

My third and final point which I wish to discuss deals with the field service of the office of the Second Assistant Postmaster General. I am especially interested here in two things—star-route service and the highway postal service. You will observe that the committee has granted the full request for star-route service, just as it has done for rural delivery service. This allows $25,500,000 for star routes in 1949—$3,000,000 more than was available in 1948.

It is entirely probable that many people know very little about the star-route carriers. Yet they occupy an important job. They get the mail to the post offices where there is no other means of transport available. Without star routes, mail to many of our rural areas would be badly delayed and uncertain of delivery. Most towns not located on railroads and without benefit of airports probably would not have postal service if it were not for the star routes.

I welcome this opportunity to pay my respect to the star-route carriers for the great job they are doing under an ever-increasing burden of more and more mail—and remember, this job is done in all kinds of weather. I am especially pleased that the committee has placed in this bill the full amount requested for star routes as well as rural delivery service, and I trust that this will make it possible for the Department to make all the extensions of such routes as it has in mind and which may be necessary to properly serve the country.

Along these lines, the committee has allowed the full amount requested for the highway postal service. This in time is going to be of tremendous value to our rural areas.

I hope the Congress will sustain the subcommittee on this appropriation bill.

(Mr. ROBERTSON asked and was given permission to revise and extend his remarks.)

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. HESELTON].

(Mr. HESELTON asked and was given permission to revise and extend his remarks.)

Mr. HESELTON. Mr. Chairman, may I briefly report that the Rules Committee will grant a hearing on House Joint Resolution 323 tomorrow morning, the 12th, at 10:30. This comes at an appropriate, although unfortunate, time, when the entire Midwest and Northeast is staggering under another snow storm, which has reached blizzard proportions in some areas. I hope all interested Members will attend the hearing in support of a rule.

Some question has arisen as to the wisdom of an embargo for 30 days. I think that period is the minimum if we are to be successful in obtaining the 559,000 barrels of heating and industrial oils other countries have said they did not need and we might have. But obtaining the oils is the sole object. If it can be done, as I think it could, given cooperation all around, in 24 or 48 hours, well and good. So I shall indicate an alternative somewhat along the following amendment:

Amendment to be offered by Mr. HESELTON. On page 2, line 5, after the word "made", insert the following: "Or until there shall have been shipped a total of 559,000 barrels of kerosene, gas oil and distillate fuel oil, or residual fuel oil to east coast ports and to terminal areas in mid-western States; and, until the Department of Commerce shall have reduced the unexpended balances against which licenses to export have not been issued during the first quarter of 1948 by the total amount of $559,000 barrels of kerosene, gas oil, and distillate fuel oil, or residual fuel oil."

Mr. Chairman, I have given this matter of a limitation amendment considerable thought in the last 10 days or so. There has been objection raised to it, as you all know to the effect that it was too inclusive. Others felt that possibly it should not be a part of an appropriation bill. I am inclined now to the view that the departments themselves should express themselves clearly as to their intentions, and then, if they make a satisfactory explanation that no such amendment is needed. I am ready to go along.

I am afraid that if we continue to offer the amendment and it is rejected the improper inference might be drawn that it was an open invitation to go ahead with any kind of conversion they chose. That certainly was not the thought of the Committee on Civil Functions or the intentions of the Committee on the State, Justice and Commerce appropria-

tion bill, as I understood it. I am equally confident it was not the thought of the Subcommittee on Labor and Federal Security earlier this week. I regret that I could not be here at that time because of an attack of influenza but I did place in the RECORD the history of the flagrantly unwise action at the Boston Marine Hospital with the admission of error and the assurance of no repetition. I know that the subcommittee with jurisdiction over that appropriation will handle most effectively any similar abuse of funds appropriated by this Congress.

I am also led to bring to the attention of the committee of what I believe to be a very real misapprehension as to the facts. I find that as of this noon from Kansas east there is what is described as a blizzard and extremely cold weather. We do not realize the difficulty of the situation probably because Washington enjoys moderate temperatures and no snow. Up there in the northern part of the country there is definitely cold weather which is depleting the dangerously low stocks of fuel.

In the third place, there has been some suggestion made that spring is coming and that therefore we do not need to give any further attention to this problem. I do not agree with that and I cannot for this reason: A good portion of these oils are not used for the purpose of heating, but are used for the purpose of operating industries and we have to carry that fact also in mind in terms of any relief we are to get into these areas.

Be that as it may, I have prepared another form of amendment which I have submitted to this subcommittee and to some of my friends from oil-producing States. I find they prefer it over the one I originally submitted and which has been accepted by their subcommittees. I read it simply to have it in the RECORD so that if there is any misunderstanding on the part of anybody as to what we are trying to do, our real purpose and clear intent will be perfectly obvious. And I want the Department to know what the purpose of the chairman of the committee is, if he cares to address himself to the problem.

I would amend this bill at page 40, line 7, by inserting a new section, 302, as follows:

That no part of the appropriations contained in this act shall be used for the purpose of converting any coal heating units to oil or natural gas in any federally owned or rented buildings in the States of—

Now, this is the limitation. I think it is, perhaps, a wise one:

Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma—

I want to speak of Oklahoma in that connection—

Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virginia, West Virginia, Wisconsin, and the District of Columbia.

Those are the States in which fuel coordinators have been appointed because of the very severe conditions which have existed in those States; and I like that language a lot better than the language that was used in the first appropriation bill which came before us covering States where there was a fuel emergency. No one can dispute the fact that the appointment of an oil coordinator indicates a definite emergency now and a probable emergency for several years to come. I should add that I am told that there is such a coordinator in Oklahoma. I did not know that before today. I would strike it out if my friends from Oklahoma wish me to do so.

Then I simply add also "or for the installation of oil heating units in any new construction in those States and the District of Columbia."

I called the Treasury and asked them what they intended to do, and I had a telephone message from a Mr. Johnson this morning, which he said he would confirm by letter. The message is as follows:

Treasury Department appropriation estimates for the fiscal year 1949 do not provide for the conversion of any coal heating units to oil or natural gas, or the installation of oil heating units in any new construction.

I now have a letter from Secretary Snyder which is as follows:

TREASURY DEPARTMENT,
Washington, March 11, 1948.

Hon. JOHN W. HESELTON,
House of Representatives,
Old House Office Building,
Washington, D. C.

MY DEAR MR. HESELTON: In reply to your telegram of March 10, 1948, I wish to advise that the Department's estimates of appropriation for the fiscal year 1949 do not provide for the conversion of any coal-heating units to oil or natural gas, or the installation of oil-heating units in any new construction, nor do we contemplate any such conversion during the remainder of the fiscal year 1948.

Sincerely yours,

JOHN W. SNYDER,
Secretary of the Treasury.

Now I would like to pause in order to inquire of the Chairman, if that is also the intention and purpose of the committee?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CANFIELD. Mr. Chairman, I yield the gentleman two additional minutes. May I say to the gentleman from Massachusetts that I have followed his leadership in this fight. It has been a very timely one and a very effective one. Communities in my State are vitally interested in this problem also.

The gentleman from Massachusetts has discussed with me his proposed amendment and I have in turn sent the text down to the Treasury and Post Office Departments. I have in my hand a letter from the Under Secretary of the Treasury, Mr. Wiggins, in which he confirms the statement given the gentleman by Mr. Johnson, the budget officer of the Treasury. I have in my hand also a letter from Postmaster General Donaldson saying in effect the same thing about the Post Office Department.

We of the subcommittee believe that these officers of the Treasury and Post Office Department mean just what they say and speaking for the record today we intend to see that they keep their word.

Mr. HESELTON. I greatly appreciate the kind comment of the gentleman and I want him to know that his advice has been the determining factor in my present approach to this problem. I also have a letter, which I will not take the trouble to read, from Mr. Walter Myers, Fourth Assistant Postmaster General. It goes into some detail in regard to certain conversions which are being undertaken because of an ample supply of natural gas. He says in one sentence:

In every case where exception is made, approval of the Bureau of Mines of the Department of the Interior is obtained.

With that in mind and with the chairman's very thoughtful expression of the intention of the committee, I think it would be appropriate if I did not offer this amendment because the committee's intention and purpose is clear in the record. I am confident that the Post Office Department and the Treasury Department will honor the committee's request and will carry out the commitments contained in these letters. We shall not know how much heating oil will be saved in this way in fiscal 1949 for private use but it certainly will be substantial. Both Departments are to be commended for this action. I am most grateful to the committee and to the chairman for their cooperation. It will be understood and appreciated by all in those States who are struggling to conserve oil and to solve this problem. Certainly, if we fail and if there is further hardship, I shall be happy to testify that no shred of responsibility can be fairly placed on the shoulders of the gentleman from New Jersey [Mr. CANFIELD], the gentleman from New York [Mr. TABER], or the gentleman from Massachusetts [Mr. WIGGLESWORTH] or any member of this subcommittees. In all fairness, I should and would make the same statement about the gentleman from Wisconsin [Mr. KEEFE] and the members of his subcommittee. He has been cooperative in the extreme and I know expected me to present any revised statement Monday. He did not know that I was ill and could not be expected to do anything except guide the committee bill through which he did with characteristic ability. I am sure that he will ask the Department of Labor and the Federal Security Agency to take judicial notice of this development today and to be guided accordingly in their use of the funds appropriated.

The full letter from the Fourth Assistant Postmaster General is as follows:

POST OFFICE DEPARTMENT,
FOURTH ASSISTANT
POSTMASTER GENERAL,
Washington, D. C., March 11, 1948.

Hon. JOHN W. HESELTON,
House of Representatives.

DEAR MR. HESELTON: The Postmaster General has asked me to acknowledge your telegram of yesterday afternoon requesting certain information relative to conversions of heating units, if any, from coal to oil or gas during the fiscal year 1948 and our plans for the fiscal year 1949; also as to new installations.

With respect to quarters leased for post office purposes, no conversions were made from coal to oil or gas in the fiscal year 1948, nor is it contemplated that any such conversions will be made during the fiscal year

1949. No new installations of this character were made by the Department in 1948, nor are any planned for 1949. Heating equipment in all leased post office buildings is furnished by the owner of the quarters. Wherever new heating equipment is to be installed in leased quarters the Department is insisting that it be of a type to burn a fuel other than natural gas or oil. Exceptions are made only where these fuels are in abundant supply or where the owners of the buildings will not agree in providing coal-burning equipment. In every case where exception is made, approval of the Bureau of Mines of the Department of the Interior is obtained.

With regard to conversions in Government-owned post office buildings, the Public Buildings Administration, Federal Works Agency, during the fiscal year 1948 has made the following conversions:

Red Bluff, Calif., from coal to oil.

The heating plants in the following buildings were converted from coal to gas: Biloxi, Miss.; Winfield, Kans.; Henryetta, Okla.; Clarksville, Ark.; Glendive, Mont.; Bozeman, Mont.; Hastings, Nebr.; Nocona, Tex.; Kenedy, Tex.; Council Grove, Kans.; Columbus, Ga.; Chickasha, Okla.; Mansfield, La.; Lawton, Okla.; Many, La.; Weatherford, Tex.; Fordyce, Ark. (pending).

All of the foregoing conversion jobs were planned or in process prior to the receipt of any information to the effect that there would be a shortage of fuel oil or gas.

With a view to effecting certain economies in the operating cost of Government-owned post office buildings, a program has been prepared for certain conversions during the fiscal year 1949. However, in view of present conditions, no action will be taken by us to request Public Buildings Administration to make conversions from coal to oil or gas during the fiscal year 1949.

Any new installations would be under the jurisdiction of Public Buildings Administration, Federal Works Agency.

Respectfully yours,

WALTER MYERS,
Fourth Assistant Postmaster General.

Mr. CANFIELD. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I wish to submit for the RECORD at this time letters from Mr. Wiggins of the Treasury Department and Mr. Donaldson of the Post Office Department, as follows:

TREASURY DEPARTMENT,
Washington, March 4, 1948.

Hon. GORDON CANFIELD,
Chairman, Subcommittee on Treasury-Post Office Appropriations,
House of Representatives,
Old House Office Building,
Washington, D. C.

MY DEAR MR. CHAIRMAN: Reference is made to your letter of March 3, 1948, relative to the inclusion of a provision in the Treasury-Post Office appropriation bill for 1949 which will prohibit the expenditure of such funds for the conversion of any coal-heating units to oil or natural gas in any federally owned or rented buildings in or outside the District of Columbia.

Pursuant to your request I wish to advise that the Department's estimates of appropriation for the fiscal year 1949 do not provide for the conversion of any coal-heating units to oil or natural gas, or the installation of oil-heating units in any new construction. Therefore, the inclusion of the provision mentioned in your letter in the Treasury-Post Office appropriation bill for 1949 would have no effect on the budgetary and operational plans of any bureau, office, or division of the Treasury Department in the fiscal year 1949.

Very truly yours,

A. L. M. WIGGINS,
Acting Secretary of the Treasury.

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., March 4, 1948.

Hon. GORDON CANFIELD,
House of Representatives.

DEAR CONGRESSMAN: I have your letter of March 3, 1948, requesting information as to the effect on the budgetary and operational plans of the Post Office Department, departmental and field, for the fiscal year 1949, of an appropriation provision which Representative JOHN W. HESELTON, of Massachusetts, desires to have incorporated in the Treasury-Post Office appropriation bill for 1949.

This provision reads:

"No part of the appropriations contained in this act shall be used for the purpose of converting any coal-heating units to oil or natural gas in any federally owned or rented buildings in or outside the District of Columbia, or for the installation of oil heating in any new construction."

A careful examination of our coal, oil, and natural gas heating units gives me no reason to believe that the proposed provision would have any material effect on the budgetary and operational plans of the Post Office Department.

The Fourth Assistant Postmaster General has kept in close touch with the fuel conditions in the various parts of the country. It being learned from responsible Government officers that there was no oil shortage west of the Rockies, it was not necessary to make any changes in heating plans in that section. Neither are any conversions to oil or gas being contemplated there.

In Baltimore, oil heat is used in one of our larger units and consideration was given to converting it to coal heat; but it was found that conversion, because of structural difficulties, was practically impossible.

During the late war, two Federal buildings in Florida were converted from oil to coal with a view to the conservation of oil and, having no information that there would be a shortage of oil during the current or succeeding heating seasons, early in the fiscal year 1947 these two properties were reconverted to oil by the Public Buildings Administration at our request.

The conversion and installation in Federally owned buildings of heating apparatus is not within the control of the Post Office Department, but is within the jurisdiction of the Public Buildings Administration and paid from appropriations adminstered by that agency.

Whenever property is leased for post office use, coal heat is furnished in all cases except where exceptional circumstances make the provision of this type of heat impractical.

Sincerely yours,

J. M. DONALDSON,
Postmaster General.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, I regret that only a few minutes times is being allocated for me to discuss a few of the numerous items I would like to bring to your attention in regard to the legislation we are considering today. I am glad to know, however, that the Appropriations Committee has taken cognizance of some of the observations made by the Committee on Post Office and Civil Service of the House in House Report No. 1242, a preliminary report on a study of the postal service. Among other things your committee has allocated $100,000 for a research and development program along the lines suggested by our committee and I want to commend the committee for taking this action.

Mr. Chairman, I call attention to a few items that ordinarily Members of the House pay very little attention to. For example, in 1947, the expenditure for insured mail was $17,200,000. The actual amount paid out in indemnities was a little over $2,000,000. In other words, we pay $5.50 for each dollar paid in claims.

There are a number of other items to which I would like to direct attention. For instance, we find the Post Office Department is being called upon to furnish approximately $15,000,000 annually in the form of a subsidy to the air lines for carrying air mail. Now, I have no objection to subsidizing air lines as such for national security and for the promotion of air transportation, but I do think it ought to be separated from the regular cost of carrying the mail. We should not permit the CAB to allocate whatever funds it thinks ought to be spent to subsidize the air lines, then charge it to the Post Office Department.

Among other things I call your attention to the fact that since 1891 Congress has provided an appropriation for a Fourth Assistant Postmaster General. You know, there is no substantive law at all for a Fourth Assistant Postmaster General. But you put it in the appropriation bills and you provide for a Fourth Assistant Postmaster General. If any Member saw fit to do so, he could raise a point of order, and I believe the Chair would have to sustain him regarding that particular section of the bill. I think it is wise, at least, to call your attention to these things as we go along.

I concur with the Committee on Appropriations regarding what has been said in its report about motor equipment. A management engineering firm is presently making a detailed study and will provide our committee with information with regard to this problem. But here is the Post Office Department going out and buying motor vehicles, or proposing to buy motor vehicles according to certain specifications. They are going to cost, I do not know how much, but an average of possibly $500 more for each vehicle. I understand the Department is having difficulty in getting manufacturers to bid on these nonstandard vehicles. Why not buy the regular motor vehicles that are used commercially? To use commercial vehicles will cost less, and at the same time improve the service.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. REES. I shall be glad to yield to the distinguished chairman of the Committee on Appropriations, who has given this matter a lot of consideration and study.

Mr. TABER. The Committee on the Post Office about 3 years ago, I think it was, brought in a bill to control penalty mail. That has not been working well. It has probably resulted in 15 to 20 to maybe 30 million dollars being appropriated and turned over to the Post Office Department out of various funds, and it is also costing a tremendous amount for bookkeeping and clerical work. Further, it is not controlling the use of penalty mail at all. I believe that it would be very helpful toward sound administration if some way could be found whereby we could really control penalty mail, and

I hope the gentleman's committee will go into that matter.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. CANFIELD. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. REES. I appreciate the gentleman calling attention to this matter, because our committee does have that matter of penalty mail under consideration and study at the present time. In line with what the gentleman said, this Congress is now appropriating more money than it has in the past to take care of penalty mail. It is growing instead of going down. It should be controlled and reduced.

I would like to discuss just briefly this question of subsidizing the air mail. I mentioned this matter a while ago, and I think some further facts and figures should be brought to your attention. Ordinarily we are supposed to subsidize air lines on a basis, say, from 50 to 70 cents per ton-mile, but in order to keep certain air lines going we have gone clear out of reason. For example, one air line carrying mail to Puerto Rico during one year received $750,000 for carrying 3,700 pounds of mail. Now, these same messages could surely be sent by telegraph or some other way at far less expense if they needed to go quicker than by regular mail.

I say there is need for better controls over subsidy payments to air lines for carrying air mail. For example, a domestic air line received $350,000, 1946, for carrying 650,000 pounds of air mail. In 9 months of 1947 the same air line received $200,000 for carrying 200,000 pounds less air mail. Of course it seems incredible. It would not happen if the Congress were called upon to appropriate funds directly. In view of the fact that the deficits in the postal services are charged to the Federal Treasury, it is fair we should know more about the amount of these subsidies.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from New York.

Mr. BUCK. Is the committee considering the possibility of metering penalty mail?

Mr. REES. That matter is under consideration. I appreciate the gentleman's calling attention to that important problem.

This appropriation bill carries an item for building maintenance, under the jurisdiction of the Fourth Assistant Postmaster General, amounting to $44,600,000 for the operating force alone. Prior to 1933 the expenditures for the operation of post-office buildings in the field were provided under the Treasury appropriation. At that time there were less than 8,000 regular employees while today there are 20,000. Many of the buildings for which this maintenance is provided are almost entirely occupied by other Government agencies. For example, the main post office in Los Angeles is maintained by employees of the postal service but only 7 percent of the total floor space is allocated to postal functions.

The repair of mail bags is also a problem of the Fourth Assistant Postmaster General. As indicated by the report on the measure, mail bags are in very critical supply. A subcommittee of the Post Office and Civil Service Committee has observed in at least one post office a mountain of mail bags awaiting repair. We believe that the mail-bag repair operation should be decentralized and the legislation referred to by the report will probably come before this House for approval in that form.

We hope to bring about the use of up-to-date management statistics in the postal service so it can be determined where the most efficient and least effective operations exist. At the request of our committee, the Postmaster General is developing certain data of this type on a one-time basis. One post office maintains such management data. This Post Office immediately was able to reduce its number of employees by more than 1,000. The installation of such a system in the postal service will, I am sure, be of material assistance to the Appropriations Committee as well as to the legislative committee dealing with postal matters.

In closing, I would like to express this thought that we hope with the combined efforts of the Appropriations Committee and the Post Office and Civil Service Committee in the coming year we will see substantial changes in the operations of the postal service in the interest of economy. We have been assured, we will receive the cooperation of the new Postmaster General in this respect.

(Mr. REES asked and was given permission to revise and extend his remarks.)

Mr. CANFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. BREHM].

Mr. BREHM. Mr. Chairman, I ask unanimous consent to proceed out of order and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BREHM. Mr. Chairman, it is not my intention to encourage any enlisted man in the Army to break the 96th or any other article of War. However, I have just received word that a constituent of mine, a young private in the Army, was convicted by a special court martial on November 26, 1947, for being drunk and disorderly in a public place in Vienna, Austria.

The sentence imposed upon this private was confinement for 6 months and forfeiture of $40 of his pay each month for a like period. And, Mr. Chairman, that is not all. This soldier when his time expires on March 30 of this year must under article 107 make up the time he has spent awaiting trial and in confinement before he can be discharged. This means that he will have to serve from 4 to 5 months more in his present enlistment after the end of March before he can be considered for discharge.

Mr. Chairman, a sentence of this nature in time of peace to my way of thinking is certainly out of all proportion to the nature of the offense. If this is the reward which enlisted privates are to receive for slight infraction of Army regulations in time of peace, it may account in part as to why enlistments have fallen off and special inducements must be offered, even the threat of another draft, in order to keep our armed services up to full strength.

It seems to me that if the Armed Services Committee of this House really wants to do something for the enlisted men they will take some action which will limit special court martials in fixing sentences for such a slight infraction.

Mr. Chairman, please do not misunderstand me, I am not condoning drunkenness or disorderly conduct but it seems rather silly for the armed services to apparently ignore this type of procedure which is seen in the city of Washington and then to pick up some poor little private in a foreign country and throw him in the jug for 6 months and fine him $240 for the same offense.

Perhaps this is one way the Army has of getting their privates "fighting mad." It certainly irks me, as I feel quite certain this lone private could not add much to the confusion already existing in Europe.

Mr. CANFIELD. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. NIXON].

Mr. NIXON. Mr. Chairman, this morning's newspapers carried a statement attributed to Secretary of Commerce Harriman in which he criticized a subcommittee of the Committee on Un-American Activities of which I am chairman, and called the action of that subcommittee "un-American."

I am not going to take the time of the House during this debate to answer the charge Mr. Harriman has made. I draw the attention of the House only to the fact that Mr. Harriman has resorted simply to the time-worn device of name-calling rather than to questioning the facts that were reported by the subcommittee. In order that the Members of the House may be fully apprised of the facts in this phase of the Condon case I ask unanimous consent to revise and extend my remarks in the RECORD.

(Mr. NIXON asked and was given permission to revise and extend his remarks.)

Mr. CANFIELD. Mr. Chairman, I yield such time as he may desire to the chairman of the Committee on Appropriations, the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, a well-oiled administration propaganda machine is singling out the Appropriations Committee and its individual members for abuse and ridicule, and the Bureau of Internal Revenue is one of the worst offenders in this respect.

Last year, when the House Appropriations Committee cut off $20,000,000 from the appropriation for the Bureau of Internal Revenue, the Government publicity boys, under orders from the administration's high command, oiled up their typewriters, inked up their mimeograph machines and went to work.

I would like to take a few minutes to jog up the memory of some of my colleagues. I really wish I could take the time to read to you two or three score newspaper stories which appeared around the country last April, May, and June. These reported official administration statements to the effect that "a penny-pinching Congress was undermining good government"; that "hard-working Federal career employees would lose their jobs by the tens of thousands"; that the Congress, through Appropriations Committee "hatchet men" and "ax wielders," was doing a great disservice to the American taxpayer. The Nation was flooded from one end to the other by planted and prefabricated blasts against Congress from the White House right down the line.

In signing the bill which carried the cut in funds, President Harry Truman did his part in adding to the confusion by issuing a statement criticizing the gross inadequacy of the funds allotted and solemnly predicted that the Federal tax-collecting machinery would be damaged for years to come.

The President also informed newsmen that as a result of the reduction in funds, the United States Treasury would lose at least $400,000,000 in taxes this fiscal year. Other administration spokesmen called the House committee's action short-sighted and irresponsible. The Bureau of Internal Revenue emphatically and repeatedly stated that it could not absorb the cuts without great hardship and without irrevocable loss to its prestige and efficiency.

In a final conniving and dishonest appeal to the public, the Bureau announced that the reduction would have to be applied by discharging between 4,000 and 5,000 employees from the enforcement arm of its organization—thus, they lamented, opening the way for widespread illicit liquor traffic and tax evasion by black marketeers. I say this was deliberately conniving and dishonest because the House of Representatives' report accompanying this particular appropriation bill, specifically recommended that no decrease in funds be made in the Bureau's enforcement operation. And this same recommendation was made by the Senate, but the Bureau chose to ignore it.

Well, some months have passed and the House Appropriations Committee has had investigators checking the activities of the Bureau of Internal Revenue both in Washington and in the field. For your information, here is a sample of what they have discovered:

The Bureau made good its publicized threat to ignore and embarrass the Congress and to discharge employees in the enforcement arm of the service. But here also are some significant facts from the Bureau's files which were not publicized; indeed, they have been assiduously kept from the public:

No departmental employee of the alcohol tax unit had been dismissed because of last year's appropriation cut; however, in the field offices, 645 employees were fired. And in this connection the Bureau never made public the past year's reports from its own district offices, pointing out that "illicit distilling is at its lowest ebb since the repeal of the National Prohibition Act" or that "the duties performed by the investigating force in connection with the black market in whisky, floor stock taxes and tied-in sales have practically come to a close" or that "the number of investigators in charge could be reduced to not more than three for the six New England States, with an accompanying reduction in the clerical staff," or that "under present conditions there are too many investigators assigned to the State of Massachusetts" or that "untaxed spirits have been reduced to a mere trickle in Michigan" or that field offices have complained to the Bureau that their main problem was to find work to keep their staff employees busy.

Those are samples from official reports in the Bureau's files which indicate that virtually every district in the country advised headquarters of a diminishing work load and the need for retrenchment in personnel.

Similarly a survey of Internal Revenue's Employment Tax Unit reveals considerable overstaffing because of the diminishing work load. Another check into the Rules and Regulations Division shows overstaffing, estimated at between 25 and 40 percent, but no reduction has been made here, the official reason being that an increase in work is anticipated. A little further investigation showed that this unfulfilled anticipation has existed for over 12 months, and a division supervisor admitted that the work in this particular office has been on the decline for the past 3 years, and that the employees could not be kept busy for more than 4 hours daily.

Another example of overstaffing is to be found in the Office of the Chief Counsel. With the exception of the past year, the number of cases handled by this office has decreased—to be specific, the case load has decreased 36.8 percent compared with 1940 but in the same period the personnel increased 46 percent. This is hardly surprising when one delves into the red tape involved in such a simple matter as answering a letter to the Chief Counsel's Office. It has been revealed that approximately 50 days elapse between the time a letter is typed and is mailed. During this period it is conferred upon, discussed, read and reread, referred back and forth from one attorney to another, checked by experts for spelling, punctuation, and content. It is nice work if you can get it but to the tune of over $4,000,000 annually in lawyers' salaries it is rough on the taxpayers.

As a direct result of last year's appropriation cut, the Bureau instituted a work simplification program last July. Now the director of this program informs us that he estimates a minimum saving of 10 percent in the operating costs of the Bureau and a maximum over-all saving of 25 percent. Let us be generous, and for comparison purposes, let us use the Bureau's own 10 percent minimum economy figure, which totals $18,800,000. This figure alone almost offsets last year's cut. Thus, ignoring for the moment all other glaring inefficiency and waste, it would seem that in less than 6 months, through a work simplification project, the Bureau gives the lie to its own hysterical propaganda.

For anyone who will take the time to read the hearings, there are ample instances of mismanagement in the affairs of the Bureau of Internal Revenue—and let me add here that the Bureau of Internal Revenue is but one of a dozen mismanaged and inefficient Government units. But the more glaring examples reveal that over the past 2 years, reports from the Bureaus' own supervisors of accounts and collections show that 714 employees were reported to be unsatisfactory or below average in the performance of their official duties. A spot check made last September 20, indicated that 46 percent of the below-average employees had been retained in service.

In the New Orleans office of the Bureau an examination of the records pertaining to correspondence courses revealed that 137 employees were enrolled and that 89 or 65 percent were found delinquent.

Again in the New Orleans office, during an investigation, the collector attributed the large backlog of work in the Audit Section of the Income Tax Division to untrained and inefficient personnel. A further check revealed that supervisory employees were disturbed over the large amount of annual and sick leave allowed during the period of a year and blamed this fact for the muddled condition of the office records.

Field-office supervisors have complained of the many deadheads carried on the Bureau's pay roll and claimed that their loafing has an adverse effect on the work and morale of other employees.

With regard to the expenditure of funds by the Income Tax Unit of the Bureau of Internal Revenue, it was found that $82,590.42 was paid out for commercial tax service publications in the fiscal year 1947. In other words, the Tax Unit buys commercial-tax services which are compiled from the Bureau's own tax rules, regulations, and releases. If the commercial services are superior to the Bureau's, why not do away with the official tax manuals which are expensive to produce, and save the thousands of dollars they cost? The investigation of the Income Tax Unit also revealed many procedures which have become outmoded and obsolete, much unnecessary work, and duplication of effort.

A check on the functions of a fancy sounding office—the Chief Coordinator of Treasury Enforcement Agencies—failed to produce anything of value. Officials within the Bureau of Internal Revenue commented on this unit as an "unnecessary expense." It apparently is ignored more often than recognized.

The Bureau has continued to recruit and hire new personnel simultaneously with its public wail that it has been forced to fire career employees. The Office of the Chief Counsel has increased its staff 46 percent since 1940, while the work load has decreased 34.6 percent. The approximate cost of books and tax services purchased for the Chief Counsel's office in fiscal 1941 was $16,730. By

1947 this amount was increased by 240 percent.

We found 18 messengers employed by the Chief Counsel to service 27 employees.

Unit after unit, section after section, division after division, shows flagrant irresponsibility and dereliction of duty on the part of the supervisory personnel. Some field offices claim they managed to get about 4 hours of work per day from employees. The Washington office is lucky if it gets 6 hours per day on an average. There is flagrant abuse of sick leave throughout the Federal service. When confronted with the records, Bureau of Internal Revenue officials shake their heads, admit the abuse, and do nothing about it.

During our investigation of the Administrative Division, it was discovered that costly paper stocks, long since forgotten, were stored away in a leased building, and were coated with filth to a degree which rendered them useless. Evidences of vermin were found throughout the storerooms. The paper stock consisted largely of surplus undistributed tax forms dating back to 1921. A tabulation of forms for 1 year only—that of 1946—revealed a surplus of 81,962,000 forms. No estimate could be made of the hundreds of millions of forms from prior years which were dumped into the rented warehouse.

This expedition brought forth some more interesting facts. In 1946 there were 46,546,696 taxpayers. The Bureau of Internal Revenue had 500,000,000 forms printed to supply this number of taxpayers plus 115,000,000 instruction sheets. Obviously some surplus must be printed to provide the taxpayers with extra copies and duplicates—but there is no possible excuse for a 10 to 1 margin.

And do not overlook this fact: This appalling waste of paper continued through the period when publishers of newspapers, magazines, and books were scraping the bottom of the barrel—so to speak—trying to scare up enough paper to keep in business.

One does not have to be clairvoyant to observe that the bureaucrats will try last year's maneuver with some of their pet scribes. This week several Washington columnists fell hook, line, and sinker for the old cliches, "disastrous staff reductions," "cut will cost Treasury half a billion," and so forth. The boys were writing fiction. I think the public want some facts.

This administration is so beholden to its 2,000,000-Federal-worker bureaucracy that it does not dare clean house. It does not dare fire even the known loafers and chislers. Consequently, it cannot hope to bring about any efficiency or clarity out of the chaos which permeates the entire Federal organization.

Over and above the 2,000,000 Federal workers are 140,000,000 citizens, every one of whom contributes, directly or indirectly, to the support of the Government. Under our system of government the Congress of the United States represents this total citizenry. It might be timely to remind the boys downtown that it is the Congress which gets elected to office, not the bureaucras and their stooges. I am willing to stand on our record of exposing, in the public interest, flagrant waste of equipment, public money, and manpower, and inefficiency and irresponsibility.

(Mr. TABER asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

Mr. CANFIELD. Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open for amendments and subject to points of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. Does any Member seek recognition to make a point of order against any part of the bill? [After a pause.] The Chair hears none.

Mr. CANFIELD. Mr. Chairman, as stated in the report on the bill, the provision in the bill prohibiting the purchase of typewriters was intended to prevent acquisition of new typewriters for use in the operations and administrative activities of the various agencies of Government.

The gentlewoman from Massachusetts fortunately has discovered that the provision recommended by the committee might prevent the effectuation of certain programs for the benefit of veterans, which the committee definitely did not and does not desire.

Therefore we are happy to offer a committee amendment which will cure this defect in the proposed language. In order that the record may be clear, I should like to state that the language of this amendment will permit the purchase of typewriters under programs such as those authorized by Public Law 16, Seventy-eighth Congress, Public Law 309, Seventy-eighth Congress, as amended, and possibly certain other laws administered by the Veterans' Administration where the veterans are beneficiaries of care, vocational rehabilitation, occupational therapy and benefits incidental to that type of activity. But the amendment does not permit the Veterans' Administration to purchase typewriters for its regular operations, or use by its own employees in offices, hospitals or other administrative activities.

Mr. Chairman, I offer a committee amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CANFIELD: On page 21, line 14, strike out the parenthesis and period and insert "and typewriting machines for veterans under public laws administered by the Veterans' Administration."

The committee amendment was agreed to.

Mr. MILLER of Connecticut. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Connecticut: On page 22, line 7, add the following:

"In the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters of special type out of stock on hand, he may purchase such manually operated machines at the average list price of the industry less 30 percent out of funds specifically appropriated for that purpose."

[Mr. MILLER of Connecticut addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. MILLER].

The amendment was agreed to.

Mr. CANFIELD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GRAHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

Mr. CANFIELD. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. DIRKSEN asked and was granted permission to revise and extend the remarks he made in Committee of the Whole and include certain excerpts.

Mr. JENNINGS asked and was granted permission to extend his own remarks in the Appendix of the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE FISCAL SITUATION

Mr. SMITH of Ohio. Mr. Speaker, the Federal Government is headed straight for bankruptcy, if it is not already bankrupt. The Republican leadership, after faithfully promising to reduce Government costs, is now blithly repudiating its plighted word. Practically every appropriation measure for general operating purposes for 1948 showed an increase over that of the previous year.

Appropriations made for 1949 exceed those of last year. The measure before us appropriates for the Postal and Internal Revenue Departments $62,000,000 more than was appropriated for them last year.

The public debt is greater today than at any previous time, and it is rising daily,

though the Treasury statement does not show this. The alleged reduction of the debt shortly after the close of hostilities was in reality no reduction at all, but merely a bookkeeping transaction.

The public is not going to be deceived in believing taxes can be reduced while at the same time costs are being increased without increasing the public debt. We cannot have increased appropriations and Marshall plans without pushing the Nation nearer to the brink of outright bankruptcy.

I want the RECORD to show that I voted "no" on the appropriation bill just passed.

The SPEAKER. The time of the gentleman from Ohio has expired.

EXTENSION OF REMARKS

Mr. GARMATZ asked and was granted permission to revise and extend his own remarks.

Mr. HUBER asked and was granted permission to extend his remarks in the RECORD and include a radio address by Mr. George Reedy today.

Mr. BOYKIN (at the request of Mr. LUCAS) was granted permission to extend his remarks in the RECORD in two instances and to include extraneous matters.

PERMISSION TO ADDRESS THE HOUSE

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to adress the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. SADOWSKI]?

There was no objection.

GOLD LOOTED BY THE NAZIS

Mr. SADOWSKI. Mr. Speaker, now that we are about to appropriate billions of dollars for the recovery of Europe some of us are wondering what happened to the hundreds of mililons of dollars of gold that was looted by the Nazis, that rightfully belongs to the nations we intend to help.

A good many Members, like myself, have felt that perhaps this looted gold had been recovered and that these nations had obtained it, that restitution had been made. For this reason I ask unanimous consent, Mr. Speaker, to include in my remarks at this point an article entitled "The Pot of Gold," written by Jean Pajus, and I hope that everybody reads it because it is a most informative article and will perhaps show how we might save three-quarters of a billion dollars on this Marshall plan.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

(The article referred to follows:)

THE POT OF GOLD

(By Jean Pajus)

There has been much talk of late about a pot of gold. The present sad financial situation of the world is responsible for it; but specifically, this talk has to do with one of the most painful aspects of the aftermath of World War II—Germany's assets abroad.

For almost 2 years the Governments of the United States, Great Britain, and France have been trying to dry up the sources of the Nazi financial power in Switzerland. Ever since May 1946 the three Governments have been trying to make Switzerland live up to the agreement signed by her providing for the liquidation of the German assets and the erasing of the German interests in Switzerland. The objectives were to end German economic power in Switzerland, to get money for reparations, and as a contribution to the cost of rehabilitating some of the millions of victims of German fury. These objectives have failed. The Swiss refuse to live up to either the letter or the spirit of their agreement. This has been worrying Washington diplomatic and financial circles. These worries have increased recently when Governments of Britain and France intimated that they would expose the whole sordid story of the Swiss holdings by placing the entire matter in the hands of the Inter-Allied Reparations Agency—the agency consisting of 18 nations which was set up in 1946 to distribute reparations from Germany.

It was natural that the French should be aroused over the failure to deliver the German gold and assets. Their economic plight has been deteriorating steadily; they have been forced to sell their gold resources in order to import vitally needed raw materials particularly coal, paying as much as $23 per ton for coal from the United States. Failure of the French Government, up to recently, to coax their own citizens to repatriate their gold hidden abroad has forced France to look everywhere for gold resources.

The British Government has also become conscious of the existence of the pot of gold. The British have their own reasons for thinking about gold. Gold was very much on Mr. Bevin's mind several months ago when he made the proposal that the United States redistributed the Fort Knox gold to help Europe get on its feet. However, while that plea fell on deaf ears, it did serve to refresh the memories of our own watchdogs in Washington who suddenly recalled that the terms of the May 1948 agreement were not too hard on Switzerland, and that it was just about time that the Swiss fulfilled their pledges.

The Marshall plan had perhaps the most to do with the revival of the pot-of-gold legend. Washington, apprehensive lest a pernurious Congress refuse to appropriate adequate funds required to make the ERP a success, has become quite conscious of the gold problem.

THE SWISS AGREEMENT

The Swiss, of course, are the only ones who do not like this talk about the pot of gold. To be sure, they do not criticize the agreement of May 1948 as such, because they would prefer not to reopen the discussion lest the real impact of its terms be made known to the public. The Swiss were lucky that the three allied governments were too busy at the time the agreement was negotiated to take a good look a it and because they were busy, the Swiss succeeded in making a settlement with the three negotiating nations whereby the latter agreed to accept $58,140,000 in final payment for all the looted gold shipped to Switzerland during the war by the German Government. As regards the other German assets, the Swiss Government presented their estimates alleging that they amounted to 500,000,000 Swiss francs or $118,000,000. At that time, the Swiss solemnly declared that these figures constituted 50 percent of all the German assets located in Switzerland and they further wanted us to believe in the accuracy of these figures, allegedly based on a so-called census conducted in Switzerland by the Swiss Government.

It would appear that the Swiss were somewhat too smart for themselves. Having made an excellent bargain, they should have lived up to the nature and spirit of the agreement. But they have consistently maintained that the settlement must await the fixing of an exchange for the German mark and that they, the Swiss, must be consulted on that rate. But the rate the Swiss proposed was so unfavorable to the United States that it could not be accepted. Meanwhile, the victims of German aggression are still waiting, the refugees are still unsettled and so are the German assets.

The American taxpayer should know that the amounts offered by Switzerland are only a small part of the tremendous German assets located in all neutral countries, especially Switzerland, Spain, Sweden, Portugal, Turkey, Argentina. Our experts who are fully acquainted with the German wartime activities know about these assets and they also know that practically none of these have been tapped thus far.

As a typical illustration, Washington, London, and Paris have evidence to prove that Portugal, famous for its wartime hospitality to Allies and Nazis alike, has at the very least, $40,000,000 of German gold hidden in her vaults, which came mostly from Holland. The experts of the three nations assert that they are able to identify the gold, bar by bar, even though the Nazis have made every effort to disguise its origin.

This is only one substantial sum that could go a long way to help western Europe. And yet, there is reason to believe, as we shall see later, that there is more than $40,000,000 of Nazi loot in Portugal. So far, Portugal has delivered nothing.

Speaking of Switzerland however, what is the real extent of the Nazi loot hidden there? When Germany collapsed, not all of the secret records of the Nazi dealings were destroyed. Their methodical habit of writing down their transactions left fairly complete records of their major activities; and then, too, there were important Nazi leaders available for interrogation, to supplement the records. In those days, they were willing to talk much more than they would now. But from the evidence adduced, it is possible to evaluate the size of the German pot of gold in Switzerland.

THE GENTLEMAN, DR. E. PUHL

Three years ago, when we entered Germany, the French zone was asked to deliver a certain Dr. Emil Puhl. He was wanted in the United States zone because, as vice president of the German Reichsbank, he was the real brains behind Dr. Funk, former head of the Reichsbank, convicted at Nurnberg. Dr. Puhl knew more about most of the crooked deals of the German Reichsbank than Funk, for the simple reason that he was in charge of handling them. Throughout the war, Puhl negotiated the financial transactions with the Bank of International Settlements (B. I. S.). In this capacity, Dr. Puhl used to go quite often to Switzerland during the war. While there, he also contacted our OSS (Office of Strategic Services) representatives. At one of these meetings, for instance, he assured our men that the German Reichsbank in reality was never Nazi and that it certainly had nothing to do with looted gold, or with any other unethical practices or transactions.

The last time Puhl went to Switzerland on official business was on April 6, 1945, a few days before the final collapse of Germany. As is customary with German officials, he described meticulously in his reports the persons he saw and the transactions he negotiated. And what did these records show?

At the time when he assured our OSS men that the Reichsbank was absolutely free of any stain of having dealt in looted gold, he described in detail how he succeeded in his efforts to induce his friends of (B. I. S.) to postpone the publication of its financial statement. He did it, he said, because he was anxious to hide the extent of the Nazi gold transactions with Switzerland. In his papers he described the methods used to manipulate German assets in Switzerland.

80TH CONGRESS
2D SESSION

H. R. 5770

IN THE SENATE OF THE UNITED STATES

MARCH 12 (legislative day, FEBRUARY 2), 1948
Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TREASURY DEPARTMENT

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department for the fiscal year ending June 30 1949, namely:

OFFICE OF THE SECRETARY

Salaries: For personal services in the District of Columbia, $380,000: *Provided,* That no part of the money appropriated shall be used to pay the salaries of more than fifteen messengers assigned to duty in the Office of the Secretary.

Personal or property damage claims: For payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921), $30,000.

Penalty mail costs: For deposit in the Treasury for penalty mail of the Treasury Department (39 U. S. C. 321d), $5,900,000.

Refunds under Renegotiation Act: To enable the Secretary of the Treasury to make refunds required by section 403 (a) (4) (D) (relating to the recomputation of the amortization deduction) and by the last sentence of section 403 (i) (3) (relating to excess inventories) of the Renegotiation Act; and to refund any amount finally adjudged or determined to have been erroneously collected by the United States pursuant to a unilateral determination of excessive profits, with interest thereon (at a rate not to exceed 4 per centum per annum) as may be determined by the War Contracts Price Adjustment Board, such interest to be computed to the date of certification of the amount to the Treasury Department for payment; $2,000,000: *Provided,*

That to the extent refunds are made from this appropriation of excessive profits collected under the Renegotiation Act and retained by the Reconstruction Finance Corporation or any of its subsidiaries, the Reconstruction Finance Corporation or the appropriate subsidiary shall reimburse this appropriation: *Provided further,* That the War Contracts Price Adjustment Board or its duly authorized representatives shall certify the amount of any refunds to be made in pursuance hereof to the Secretary of the Treasury who shall make payment upon such certificate in lieu of any voucher which might otherwise be required.

DIVISION OF TAX RESEARCH

Salaries: For personal services in the District of Columbia, $110,000.

OFFICE OF GENERAL COUNSEL

Salaries: For personal services in the District of Columbia, $225,000.

Salaries and expenses, Office of Contract Settlement: For necessary expenses, including contract stenographic reporting services, to carry out the provisions of the Contract Settlement Act of 1944, $75,000.

DIVISION OF PERSONNEL

Salaries: For personal services in the District of Columbia, $120,000.

Health service programs, Treasury Department: For

health service programs, as authorized by law (5 U. S. C. 150), for employees of the Department in the District of Columbia, $70,000: *Provided,* That other appropriations in this Act shall be available for health service programs in the field.

OFFICE OF CHIEF CLERK

Salaries: For personal services in the District of Columbia, $300,000.

MISCELLANEOUS EXPENSES, TREASURY DEPARTMENT

Miscellaneous expenses: For necessary expenses of the Office of the Secretary and the bureaus and offices of the Treasury Department, not otherwise provided for, including operating expenses of the Treasury, Treasury Annex, Auditors', and Liberty Loan Buildings, and including not to exceed $25,000 for printing and binding and purchase of materials for the use of the bookbinder located in the Treasury Department; $240,000.

OFFICE OF SUPERINTENDENT OF TREASURY BUILDINGS

Salaries: For personal services in the District of Columbia, including the operating force of the Treasury Building, the Treasury Annex, the Liberty Loan Building, the Auditors' Building, and the west and south annexes thereof, $645,000.

FISCAL SERVICE

BUREAU OF ACCOUNTS

Salaries and expenses: For necessary expenses in the District of Columbia, including contract stenographic reporting services and not to exceed $50,000 for printing and binding, $1,475,000: *Provided,* That from the amount appropriated herein, the Federal Reserve banks and their branches may be reimbursed for printing and binding and other necessary expenses incident to the deposit of withheld taxes in Government depositories pursuant to the Current Tax Payment Act of 1943.

Salaries and expenses: For necessary expenses of the Division of Disbursement, including personal services in the District of Columbia, and printing and binding, $10,000,000: *Provided,* That with the approval of the Bureau of the Budget there may be transferred to this appropriation from Railroad Retirement Board, "Conservation and use of agricultural land resources, Department of Agriculture," and from available corporate funds of Government-owned or -controlled corporations, such sums as may be necessary to cover the expense incurred in performing the function of disbursement therefor.

Contingent expenses, public moneys: For contingent expenses under the requirements of section 3653 of the

Revised Statutes (31 U. S. C. 545), for the collection, safekeeping, transfer, and disbursement of the public money, transportation of notes, bonds, and other securities of the United States, transportation of gold coin and gold certificates transferred to Federal Reserve banks and branches, United States mints and assay offices, and the Treasury, after March 9, 1933, actual expenses of examiners detailed to examine the books, accounts, and money on hand at the several depositories, including national banks acting as depositories under the requirements of section 3649, Revised Statutes (31 U. S. C. 548), also including examinations of cash accounts at mints, $375,000.

Recoinage of silver coins: For expenses necessary to continue the recoinage of worn and uncurrent subsidiary silver coins of the United States now in the Treasury or hereafter received, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coins and the amount the same will produce in new coins, $150,000.

Relief of the indigent, Alaska: For the payment to the United States district judges in Alaska (not to exceed 10 per centum of the receipts from licenses collected outside of incorporated towns in Alaska), to be expended for the relief of persons in Alaska who are indigent and incapaci-

tated through nonage, old age, sickness, or accident, $18,000.

Refund of moneys erroneously received and covered: For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 18 of the Permanent Appropriation Repeal Act of 1934, approved June 26, 1934, and any other collections erroneously received and covered which are not properly chargeable to any other appropriation, $700,000.

Payment of certified claims: For the payment of claims (not to exceed $500 in any case) which may be certified during the fiscal year 1949 by the Comptroller General of the United States to be lawfully due, within the limits of, and chargeable against the balances of the respective appropriations heretofore made which, after remaining unexpended, have been carried to the surplus fund pursuant to section 5 of the Act of June 20, 1874 (31 U. S. C. 713), $800,000.

Payment of unclaimed moneys: For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 17 of the Permanent Appropriation Repeal Act of 1934, approved June 26, 1934, payable from the funds held by the United States in the trust fund receipt account "Unclaimed moneys of individuals whose whereabouts are unknown", $100,000.

BUREAU OF THE PUBLIC DEBT

Administering the public debt: For necessary expenses connected with any public-debt operations authorized by the Second Liberty Bond Act, as amended (31 U. S. C. 760–762), and with the administration of any public debt or currency issues of the United States with which the Secretary of the Treasury is charged, including not to exceed $3,750,000 for promoting the sale of savings bonds, $51,500,000, to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided,* That from the amount appropriated herein, the Federal Reserve banks and their branches may be reimbursed for expenditures made by them as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury, and advances to the Postmaster General may be made in accordance with the provisions of section 22 (e) of the Second Liberty Bond Act, as amended (31 U. S. C. 757c (e)), which section shall be construed as applying to this appropriation: *Provided further,* That the indefinite appropriation provided by section 10 of the Second Liberty Bond Act, as amended, shall not be available for obligation during the fiscal year 1949.

Distinctive paper for United States currency: For distinctive paper for United States currency, including transportation of paper, traveling, mill, and other necessary expenses, and salaries of employees and allowance, in lieu of expenses, of officer or officers detailed from the Treasury Department, not exceeding $50 per month each when actually on duty, $1,300,000: *Provided,* That in order to foster competition in the manufacture of distinctive paper for United States securities, the Secretary of the Treasury is authorized, in his discretion, to split the award for such paper for the fiscal year 1949 between the two bidders whose prices per pound are the lowest received after advertisement.

OFFICE OF THE TREASURER OF THE UNITED STATES

Salaries and expenses: For necessary expenses of the Office of the Treasurer, including not to exceed $100,000 for printing and binding, $4,980,000: *Provided,* That with the approval of the Bureau of the Budget, there may be transferred to this appropriation, from Railroad Retirement Board, "Conservation and use of agricultural land resources, Department of Agriculture," and from available corporate funds of Government owned or controlled corporations, such sums as may be necessary to cover the expenses incurred in the clearing of checks, servicing of bonds, handling of collections, and rendering of accounts therefor.

BUREAU OF INTERNAL REVENUE

Salaries and expenses: For necessary expenses in connection with the assessment and collection of internal-revenue taxes and the administration of the internal-revenue laws, including the administration of such provisions of other laws as are authorized by or pursuant to law to be administered by or under the direction of the Commissioner of Internal Revenue, including one stamp agent (to be reimbursed by the stamp manufacturers) and the employment of experts; the securing of evidence of violations of the Acts, the cost of chemical analyses made by others than employees of the United States and expenses incident to such chemists testifying when necessary; necessary expenses incurred in making investigations in connection with the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters, expenses of seizure and sale, and contract stenographic reporting services; for the acquisition of property under the provisions of title III of the Liquor Law Repeal and Enforcement Act, approved August 27, 1935 (49 Stat. 872–881), and the operation, maintenance, and repair of property acquired under such title III; purchase, for replacement (not to exceed three hundred and thirty-four) and hire of passenger motor vehicles, as follows: for personal services, $168,736,000, of which not to exceed $16,000,000 may be expended for personal services at the

seat of Government; and for objects of expenditure other than personal services, $18,000,000, including printing and binding (not to exceed $2,400,000), stationery (not to exceed $1,400,000), ammunition, and not to exceed $100,000 for detecting and bringing to trial persons guilty of violating the internal-revenue laws or conniving at the same, including payments for information and detection of such violation; in all for salaries and expenses, $186,736,000.

Additional income tax on railroads in Alaska: For the payment to the Treasurer of Alaska of an amount equal to the tax of 1 per centum collected on the gross annual income of all railroad corporations doing business in Alaska, on business done in Alaska, which tax is in addition to the normal income tax collected from such corporations on net income, the amount of such additional tax to be applicable to general Territorial purposes, $4,500.

BUREAU OF NARCOTICS

Salaries and expenses: For expenses, including the securing of information and evidence, necessary to enforce sections 2550–2565; 2567–2571; 2590–2603; 3220–3228; 3230–3238 of the Internal Revenue Code; the Narcotic Drugs Import and Export Act, as amended (21 U. S. C. 171–184); the Act of June 14, 1930 (5 U. S. C. 282–282c and 21 U. S. C. 197–198) and the Opium Poppy Control Act of 1942 (21 U. S. C. Supp. V, 188–188n), including

the employment of attorneys; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); the costs of chemical analyses made by others than employees of the United States; cost incurred by officers and employees of the Bureau of Narcotics in the seizure, forfeiture, storage, and disposition of property under the Act of August 9, 1939 (49 U. S. C. 781–788), and the internal-revenue laws; hire of motor vehicles; purchase of arms and ammunition; in all, $1,450,000, including personal services in the District of Columbia and printing and binding; not exceeding $10,000 for the collection and dissemination of information and appeal for law observance and law enforcement, including cost of printing, and not exceeding $10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice.

BUREAU OF ENGRAVING AND PRINTING

For the work of engraving and printing, exclusive of repay work, United States currency and internal-revenue stamps, including opium orders and special-tax stamps required under the Act of December 17, 1914 (26 U. S. C. 1040, 1383), checks, drafts, and miscellaneous work, as follows:

Salaries and expenses: For the Director, two Assistant Directors, and other personal services in the District of Columbia, including wages of rotary press plate printers at

per diem rates and all other plate printers at piece rates to be fixed by the Secretary of the Treasury, not to exceed the rates usually paid for such work; and other necessary expenses, including engravers' and printers' materials and other materials, including distinctive and nondistinctive paper, except distinctive paper for United States currency and Federal Reserve bank currency; purchase of card and continuous form checks; equipment of, repairs to, and maintenance of buildings and grounds and minor alterations to buildings; periodicals, examples of engraving and printing, including foreign securities and stamps, and books of reference, not to exceed $500; traveling expenses not to exceed $15,000; printing and binding; transfer to the Bureau of Standards for scientific investigations in connection with the work of the Bureau of Engraving and Printing, not to exceed $15,000; $12,000,000, to be expended under the direction of the Secretary of the Treasury.

During the fiscal year 1949 all proceeds derived from work performed by the Bureau of Engraving and Printing, by direction of the Secretary of the Treasury, not covered and embraced in the appropriations for such Bureau for such fiscal year, instead of being covered into the Treasury as miscellaneous receipts, as provided by the Act of August 4, 1886 (31 U. S. C. 176), shall be credited

when received to the appropriations for such Bureau for the fiscal year 1949.

SECRET SERVICE DIVISION

Salaries and expenses, Secret Service: For expenses necessary in detecting, arresting, and delivering into the custody of the United States marshal or other officer having jurisdiction, dealers and pretended dealers in counterfeit money, persons engaged in counterfeiting, forging, and altering United States notes, bonds, national bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments (including endorsements thereon and assignments thereof), as well as the coins of the United States and of foreign governments, and persons committing other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control, and for the protection of the person of the President and the members of his immediate family and of the person chosen to be President of the United States, including personal services in the District of Columbia; purchase (not to exceed sixteen for replacement only) and hire of passenger motor vehicles; printing and binding; and purchase of arms and ammunition; $1,715,000: *Provided*, That of the amount herein appropriated not to exceed $15,000 may be expended, with the approval of the Chief

of the Secret Service, for the purpose of securing information concerning violations of the laws relating to the Treasury Department and for services or information looking toward the apprehension of criminals.

Salaries and expenses, White House Police: For salaries and expenses, including uniforms and equipment, purchase and repair of revolvers, and the purchase and issue of ammunition and miscellaneous supplies, to be purchased in such manner as the President may determine, $370,000.

Salaries and expenses, guard force, Treasury buildings: For expenses of the guard force for Treasury Department buildings in the District of Columbia, including the Bureau of Engraving and Printing, and elsewhere, including purchase, repair, and cleaning of uniforms, purchase of two passenger motor vehicles for replacement only, and the purchase of arms and ammunition and miscellaneous equipment, $645,000: *Provided,* That not to exceed $168,925 of the appropriation "Salaries and expenses, Bureau of Engraving and Printing", may be transferred to this appropriation to cover service rendered such Bureau in connection with the protection of currency, bonds, stamps, and other papers of value the cost of producing which is not covered and embraced in the direct appropriations for such Bureau: *Provided further,* That the Secretary of the Treasury may detail two agents of the Secret Service to supervise such force,

Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces: For reimbursement to the District of Columbia on a monthly basis for benefit payments made from the revenues of the District of Columbia to members of the White House Police force and such members of the United States Secret Service Division as are entitled thereto under the Act of October 14, 1940 (54 Stat. 1118), to the extent that such benefit payments are in excess of the salary deductions of such members credited to said revenues of the District of Columbia during the fiscal year 1949, pursuant to section 12 of the Act of September 1, 1916 (39 Stat. 718), as amended, $84,600.

BUREAU OF THE MINT

Salaries and expenses: For necessary expenses at the mints at Philadelphia, Pennsylvania, San Francisco, California, and Denver, Colorado; the assay offices at New York, New York, and Seattle, Washington; the bullion depositories at Fort Knox, Kentucky, and West Point, New York; the Office of the Director of the Mint; and for carrying out the provisions of the Gold Reserve Act of 1934 and the Silver Purchase Act of 1934, including personal services in the District of Columbia, printing and binding, new machinery and repairs, arms and ammunition, purchase and maintenance of uniforms and accessories for guards, protective devices, and their maintenance, training of employees in use of

firearms and protective devices, cases and enameling for medals manufactured, net wastage in melting and refining and in coining departments, loss on sale of sweeps arising from the treatment of bullion and the manufacture of coins, not to exceed $1,000 for the expenses of the annual assay commission, and not exceeding $1,000 for the acquisition, at the dollar face amount or otherwise, of specimen and rare coins, including United States and foreign gold coins and pieces of gold used as, or in lieu of, money, and ores, for addition to the Government's collection of such coins, pieces, and ores; $4,500,000.

Transportation of bullion and coin: For transportation of bullion and coin, between mints, assay offices, and bullion depositories, $5,000, including compensation of temporary employees and other necessary expenses.

BUREAU OF FEDERAL SUPPLY

Salaries and expenses: For necessary expenses, including personal services in the District of Columbia and in the field service, office supplies and materials, stationery, fuel, light, electric current, and other expenses for carrying into effect regulations governing the procurement, warehousing, and distribution by the Bureau of Federal Supply of the Treasury Department of property, equipment, stores, and supplies in the District of Columbia and in the field,

$1,275,000: *Provided,* That the Secretary of the Treasury is authorized and directed to transfer to this appropriation from any appropriations or funds available to the several departments and establishments of the Government such amounts as may be approved by the Bureau of the Budget, not to exceed the sum of (a) the amount of the annual compensation of employees who may be transferred or detailed to the Bureau of Federal Supply, respectively, from any such department or establishment, where the transfer or detail of such employee is incident to a transfer of a function or functions to that Bureau and (b) such amount as the Bureau of the Budget may determine to be necessary for expenses other than personal services incident to the proper carrying out of functions so transferred: *Provided further,* That when there has been or shall be transferred from any agency of the Government to the Bureau of Federal Supply any function of warehousing, and the agency from which such function is being transferred is authorized at the time of such transfer to perform functions of procurement, warehousing, or distribution of property, equipment, stores, or supplies for non-Federal agencies the Bureau of Federal Supply is authorized to continue the performance of such functions for such non-Federal agencies where such functions are to be discontinued by the agency from which the warehousing function has been transferred, and the

receipts, including surcharge, for all issues to and all advances by all non-Federal agencies shall be credited to the general supply fund: *Provided further,* That payments to the general supply fund for materials, and supplies (including fuel), and services, and overhead expenses for all issues shall be made on the books of the Treasury Department by transfer and counterwarrants prepared by the Bureau of Federal Supply of the Treasury Department and countersigned by the Comptroller General, such warrants to be based solely on itemized invoices prepared by the Bureau of Federal Supply at issue prices to be fixed by the Director of Federal Supply: *Provided further,* That payments covering transactions between the Bureau of Federal Supply and field offices of other Government agencies whose detailed appropriation or fund accounts are maintained elsewhere than within the District of Columbia, may be made on the basis of itemized vouchers or invoices prepared by the Bureau of Federal Supply and sent through the appropriate field offices to the disbursing officers for the agencies involved, who are hereby authorized to make payment based (1) upon certification of the Bureau of Federal Supply, which shall include the specific statement that the vouchers are issued pursuant to and in conformity with purchase orders or requisitions duly executed by the agency billed, and (2) upon approval and certification of such vouchers by the agency billed, which

action shall be based upon acceptance of the Bureau of Federal Supply certification as made, subject to later adjustment if necessary, the responsibility of the certifying officer to be limited to the availability of the funds to be charged: *Provided further,* That the general supply fund may be used to purchase from or through the Public Printer standard forms and blank-book work for field warehouse stocking and issue, but issues thereof shall be made only to Government agencies and shall be chargeable to applicable appropriation authorizations or limitations of such agencies for printing and binding, and reports of such issues shall be made as the Public Printer may require: *Provided further,* That advances received pursuant to law (31 U. S. C. 686) from departments and establishments of the United States Government and the government of the District of Columbia during the fiscal year 1949 shall be credited to the general supply fund: *Provided further,* That per diem employees engaged in work in connection with operations of the fuel yards may be paid rates of pay approved by the Secretary of the Treasury not exceeding current rates for similar services in the District of Columbia: *Provided further,* That the term "fuel" shall be held to include "fuel oil": *Provided further,* That the reconditioning and repair of surplus property and equipment for disposition or reissue to Government service, may be made at cost by the Bureau of

Federal Supply, payment therefor to be effected by charging the proper appropriation and crediting the general supply fund.

Repairs to typewriting machines (except bookkeeping and billing machines) in the Government service in the District of Columbia and areas adjacent thereto may be made at cost by the Bureau of Federal Supply, payment therefor to be effected by charging the proper appropriation and crediting the general supply fund.

No part of any money appropriated by this or any other Act shall be used during the fiscal year 1949 for the purchase, within the continental limits of the United States, of any typewriting machines (except bookkeeping and billing machines and typewriting machines for veterans under public laws administered by the Veterans' Administration).

Each agency in the executive branch of the Government (which shall include all departments, independent establishments, and wholly owned Government corporations) is authorized and directed (1) to report within thirty days after the enactment of this Act, or by July 1, 1948, whichever is the later, to the Director of the Bureau of Federal Supply the total number of typewriting machines in the possession or custody of such agency and the number thereof surplus to its requirements, and (2) to surrender and ship such

surplus typewriting machines as the Director of the Bureau of Federal Supply may direct. Costs of packing and shipping hereunder shall be charged to the general supply fund. Each agency shall furnish the Director of the Bureau of Federal Supply such information regarding typewriting machines as he may from time to time request. The Bureau of Federal Supply is authorized and directed to receive and hold all typewriting machines surrendered to it hereunder and to distribute same to any of such agencies as the Director of the Bureau of Federal Supply may determine. In the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters of special type out of stock on hand he may purchase such manually operated machines at the average list price of the industry less 30 per centum out of funds specifically appropriated for that purpose.

The Director of the Bureau of Federal Supply is authorized and directed at such times as he may determine to be necessary to survey and determine the number and kinds of typewriters which are at any time surplus to the requirements of any agency. Upon such determination the Director of the Bureau of Federal Supply is authorized to direct, upon such notice and in such manner as he may prescribe, the head of any agency to surrender to the Bureau of Federal Supply any and all typewriting machines, surplus to its re-

quirements, and such determination and direction by the Director of the Bureau of Federal Supply shall be final and conclusive upon all agencies, officers, and employees of the executive branch of the Government of the United States.

The Director of the Bureau of Federal Supply is authorized to charge each agency to which typewriting machines are supplied hereunder amounts equal to the fair value thereof, as determined by him, and such amounts shall be credited to the general supply fund.

Printing and binding: For printing and binding for the Bureau of Federal Supply, including printed forms and miscellaneous items for general use of the Treasury Department, the cost of transportation to field offices of printed and bound material and the cost of necessary packing boxes and packing materials, $150,000, together with not to exceed $30,000 to be transferred from the general supply fund, Treasury Department.

Net renegotiation rebates: For necessary expenses, including personal services in the District of Columbia, in connection with the processing and determination of net renegotiation rebates under section 403 (a) (4) (D) of the Renegotiation Act, $125,000.

No part of any appropriation or authorization in this Act shall be used to pay any part of the salary or expenses of any person whose salary or expenses are prohibited from

being paid from any appropriation or authorization in any other Act.

This title may be cited as the "Treasury Department Appropriation Act, 1949".

TITLE II—POST OFFICE DEPARTMENT

The following sums are appropriated in conformity with 5 United States Code 361, 380; 39 United States Code 786, for the Post Office Department for the fiscal year ending June 30, 1949, namely:

POST OFFICE DEPARTMENT, WASHINGTON, DISTRICT OF COLUMBIA

OFFICE OF THE POSTMASTER GENERAL

Salaries: For the Postmaster General and other personal services in the office of the Postmaster General in the District of Columbia, including a health service program as authorized by law (5 U. S. C. 150), $395,000.

SALARIES IN BUREAUS AND OFFICES

For personal services in the District of Columbia in bureaus and offices of the Post Office Department in not to exceed the following amounts, respectively:

Office of Budget and Administrative Planning, $65,000.

Office of the First Assistant Postmaster General, $1,162,500.

Office of the Second Assistant Postmaster General, $928,000.

Office of the Third Assistant Postmaster General, $1,350,000.

Office of the Fourth Assistant Postmaster General, $752,000.

Office of the Solicitor for the Post Office Department, $250,000.

Office of the Chief Inspector, $405,000.

Office of the Purchasing Agent, $85,000.

Bureau of Accounts, $485,000.

CONTINGENT EXPENSES, POST OFFICE DEPARTMENT

For necessary, contingent and miscellaneous expenses not otherwise provided for; purchase and exchange of lawbooks and books of reference; newspapers; and travel expenses of the purchasing agent and of the solicitor and personnel connected with his office, not exceeding $2,100; $160,000.

For printing and binding for the Post Office Department and Postal Service, $2,000,000.

Appropriations hereinafter made for the field service of the Post Office Department, except as otherwise provided, shall not be expended for any of the purposes hereinbefore provided for on account of the Post Office Department in the District of Columbia: *Provided*, That necessary expenses of officials and employees of the Post Office Department and Postal Service, when traveling on official business, may be paid from the appropriations for the service in connection with

which the travel is performed: *Provided further*, That appropriations hereinafter made, except such as are exclusively for payment of compensation, shall be available for expenses in connection with the examination of estimates for appropriations in the field including per diem allowances in lieu of actual expenses of subsistence: *And provided further*, That the appropriations for the Post Office Department and the Postal Service shall be available for expenditures in connection with accident prevention, but no appropriation made for the field service shall be expended on account of the Post Office Department in the District of Columbia.

FIELD SERVICE, POST OFFICE DEPARTMENT

OFFICE OF THE POSTMASTER GENERAL

Travel and miscellaneous expenses: For travel and miscellaneous expenses in the Postal Service, offices of the Postmaster General and Assistant Postmasters General, $3,000.

Damage claims: For the payment of claims for damages to persons or property occurring in the fiscal year 1949, or in prior fiscal years, pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921), and in accordance with the provisions of the Deficiency Appropriation Act, approved June 16, 1921 (5 U. S. C. 392), as amended by the Act approved June 22, 1934 (31 U. S. C. 224c), $175,000.

Adjusted losses and contingencies: To pay to postmasters, navy mail clerks, and assistant navy mail clerks, coast guard mail clerks, assistant coast guard mail clerks, army mail clerks, and assistant army mail clerks, or credit them with the amount ascertained to have been lost or destroyed during the fiscal year 1949, or prior fiscal years, through unavoidable casualty resulting from no fault or negligence on their part, as authorized by the Act approved March 17, 1882, as amended by the Act approved December 7, 1945 (39 U. S. C. 49), $75,000.

OFFICE OF THE CHIEF INSPECTOR

Salaries of inspectors: For salaries of fifteen inspectors in charge of divisions and eight hundred inspectors, $4,350,000.

Travel and miscellaneous expenses: For necessary travel and miscellaneous expenses incurred in the operation of the post office inspection service, not to exceed $27,600 for chemical and other investigations, and not to exceed $500 for books of reference, $958,000.

Clerks: For compensation of not exceeding three hundred and eighty-nine clerks in the post office inspection service, $1,178,000.

Rewards: For payment of rewards for the detection, arrest, and conviction of post office burglars, robbers, highway mail robbers, and persons mailing or causing to be mailed any

bomb, infernal machine, or mechanical, chemical, or other device or composition which may ignite, or explode, fiscal year 1949 and prior years, $55,000: *Provided,* That rewards may be paid in the discretion of the Postmaster General, when an offender of the classes mentioned was killed in the act of committing the crime or in resisting lawful arrest: *Provided further,* That no part of this sum shall be used to pay any rewards at rates in excess of those specified in Post Office Department Order 28673, dated July 28, 1945: *Provided further,* That of the amount herein appropriated not to exceed $20,000 may be expended in the discretion of the Postmaster General, for the purpose of securing information concerning violations of the postal laws and for services and information looking toward the apprehension of criminals.

OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

Compensation to postmasters: For compensation to postmasters, including compensation as postmaster to persons who, pending the designation of an acting postmaster, assume and perform the duties of postmaster in the event of a vacancy in the office of postmaster of the third or fourth class, and to persons who perform the duties for postmasters of the fourth class absent on sick or annual leave or leave without pay, and for allowances for rent, light, fuel, and equipment to postmasters of the fourth class, $87,900,000.

Compensation to assistant postmasters: For compensa-

tion to assistant postmasters at first- and second-class post offices, $12,500,000.

Clerks, first- and second-class post offices: For compensation to clerks and employees at first- and second-class post offices, including auxiliary clerk hire at summer and winter post offices, printers, mechanics, skilled laborers, watchmen, messengers, mail handlers, and substitutes, and the maintenance of health service program as authorized by law (5 U. S. C. 150), $530,000,000.

Contract station service: For contract station service, $3,500,000.

Separating mails: For separating mails at fourth-class post offices, $180,000.

Unusual conditions: For unusual conditions at post offices, $25,000.

Clerks, third-class post offices: For compensation to clerks at third-class post offices, $25,500,000.

Miscellaneous items, first- and second-class post offices: For expenses necessary for the operation and protection of post offices of the first and second classes, and the business conducted in connection therewith, not provided for in other appropriations, $3,850,000.

Village delivery service: For village delivery service in towns and villages having post offices of the second or third

class, and in communities adjacent to cities having city delivery, $300,000.

Detroit River service: For Detroit River postal service $12,750.

Carfare and bicycle allowance: For carfare and bicycle allowance, including special delivery carfare, cost of transporting carriers by privately owned automobiles to and from their routes, at rates not exceeding regular streetcar or bus fare, and purchase, maintenance, and exchange of bicycles, $2,800,000.

City delivery carriers: For pay of letter carriers, city delivery service, and United States official mail and messenger service, $326,000,000.

Special delivery service: For compensation and fees to special delivery messengers, $16,000,000.

Rural delivery service: For pay for rural carriers, auxiliary carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, tolls and ferriage, and necessary expenses of the rural delivery service, $135,719,000, of which not less than $200,000 shall be available for extensions and new service.

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Star route service: For inland transportation by star routes, including temporary service to newly established offices, $25,501,000.

Powerboat service: For inland transportation by steamboat or other powerboat routes, including ship, steamboat, and way letters, $2,133,000.

Railroad transportation and mail messenger service: For inland transportation by railroad routes and for mail messenger service, $165,881,000: *Provided,* That separate accounts be kept of the amount expended for mail messenger service.

Railway mail service, salaries: For fifteen general superintendents, fifteen assistant general superintendents, two assistant general superintendents at large, one hundred and twenty district superintendents, one hundred and twenty assistant district superintendents, and other employees in the railway mail service, $109,188,000.

Railway mail service, travel allowance: For travel allowance to railway postal clerks and substitute railway postal clerks, $5,237,000.

Railway mail service, travel expenses: For travel expenses of departmental officials and supervisory employees of the railway mail service, and railway postal clerks, $66,000.

Railway mail service, miscellaneous expenses: For necessary expenses of the railway mail service not provided for in other appropriations, $490,000.

Electric car service: For electric car service, $220,000.

Foreign mail transportation: For transportation of foreign mails, except by aircraft, $23,842,000, including not to exceed $79,200 to cover the cost to the United States for maintaining sea post service on ocean steamships conveying mails to and from the United States: *Provided,* That not to exceed $12,500 is hereby made available for expenses of delegates designated from the Post Office Department by the Postmaster General to the Sixth Congress of the Postal Union of the Americas and Spain, The Executive and Liaison Commission and the Transit Commission of the Universal Postal Union, and the conference on revision of the 1929 "Prisoners of War" Convention, to be expended in the discretion of the Postmaster General and accounted for on his certificate, which certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended, which amount shall be available until December 31, 1949.

Balances due foreign countries: For balances due foreign countries, fiscal year 1949 and prior years, $3,000,000: *Provided,* That there shall be established immediately, by transfer of $5,000,000 from the appropriation for "Balances due foreign countries" for the fiscal year 1948, a revolving fund which shall be available without fiscal year limitation for advances to air carriers for the transportation of air mail from foreign countries to the United States as authorized

by section 2 of the Act of July 27, 1940 (49 U. S. C. 485b), and payments hereafter received from foreign countries on account of air carriers for the transportation of air mail from foreign countries to the United States shall be credited to such fund.

Indemnities, international mail: For payment of limited indemnity for the injury or loss of international mail in accordance with convention, treaty, or agreement stipulations, fiscal year 1949 and prior years, $15,000.

Foreign air mail service: For transportation of foreign mails by aircraft, as authorized by law, $19,500,000.

Domestic air mail service: For expenses necessary for the inland transportation of mail by aircraft, as authorized by law, including not to exceed $176,000 for supervisory officials and clerks at field headquaters, $32,000,000.

OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

Stamps and stamped paper: For manufacture and distribution of stamps and stamped paper, and not to exceed $30,000 for compensation to employees and other necessary expenses of the United States Stamped Envelope Agency, $9,335,000.

Indemnities, domestic mail: For payment of indemnity for the injury or loss of domestic registered, insured, and collect-on-delivery mail, and for failure to remit collect-on-

delivery charges, fiscal year 1949 and prior years, $3,775,000.

Unpaid money orders: For payment of domestic money orders after one year from the last day of the month of issue of such orders, $900,000.

OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

Miscellaneous supplies and equipment: For the purchase, manufacture, repair, and installation of necessary miscellaneous equipment and supplies for the Postal Service not provided for in other appropriations; for the purchase of atlases and geographical and technical works not to exceed $1,500; and not exceeding $191,400 for personal services, including salaries of fourteen traveling mechanicians; for rental of canceling machines and motors, mechanical mail-handling apparatus, and other labor-saving devices; and for travel expenses; $7,158,000, of which $400,000 shall be available exclusively for the purchase of modern mechanical postal devices, and of which $100,000 shall be available exclusively for mechanizing devices for separation of mails: *Provided,* That the Postmaster General may authorize the sale to the public of post-route maps and rural-delivery maps or blueprints at the cost of printing and 10 per centum thereof added.

Equipment shops: For the purchase, manufacture, and repair of mail bags and other equipment for the postal serv-

ice not provided for in other appropriations; necessary expenses for the operation, maintenance, and protection of the mail equipment shops building, grounds, and equipment, and a health service program as authorized by law (5 U. S. C. 150); $12,800,000, of which not to exceed $1,255,000 may be expended for personal services in the District of Columbia and not exceeding $15,000 for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipments as may be required by other executive departments; and for services in Alaska, Puerto Rico, Hawaii, or other island possessions.

Rent, fuel, and utility services: For rent, light, power, fuel, and water, for first-, second-, and third-class post offices, and the cost of advertising for lease proposals for such offices, $14,500,000.

Pneumatic tube service: For rental of not exceeding twenty-eight miles of pneumatic tubes, hire of labor, communication service, electric power, and other expenses for transmission of mail in the city of New York including the Borough of Brooklyn; and for rental of not exceeding two miles of pneumatic tubes, not including labor and power in operating the same, for the transmission of mail in the city of Boston, Massachusetts; $740,000: *Provided*, That the Acts of April 21, 1902, May

27, 1908, and June 19, 1922 (39 U. S. C. 423), relating to contracts for the transmission of mail by pneumatic tubes or other similar devices shall not be applicable to the city of New York, and the provisions not inconsistent herewith of the Acts of April 21, 1902, and May 27, 1908 (39 U. S. C. 423), shall be applicable to the city of Boston.

Vehicle service: For the hire, purchase, maintenance, repair, and operation of vehicles for use in the collection, transportation, delivery, and supervision of the mail, including the repair of vehicles owned by, or under the control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the Postal Service; the rental of garage facilities; lease of quarters not exceeding a term of ten years for the housing of Government-owned motor vehicles, and including compensation to necessary employees in the motor vehicle service, $42,000,000, of which $4,400,000 shall be available exclusively for the purchase of trucks: *Provided,* That the Postmaster General may purchase and maintain from this appropriation such tractors and trailer trucks as may be required in the operation of the vehicle service: *Provided further,* That no part of this appropriation shall be expended for maintenance or repair of motor-propelled passenger-carrying vehicles for use in con-

nection with the administrative work of the Post Office Department in the District of Columbia.

Transportation of equipment and supplies: For the transportation and delivery of equipment, materials, and supplies for the Post Office Department and Postal Service by freight, express, or motor transportation, and other incidental expenses, $1,000,000.

Operating force, public buildings: For compensation to employees in the custodial service, $44,600,000.

Operating supplies, public buildings: For necessary miscellaneous articles, services and supplies, including transportation thereof, required for the operation of completed and occupied public buildings and grounds operated by the Post Office Department, $7,320,000, which shall not be available for personal services except for work done by contract, or for temporary job labor under exigency not exceeding at one time the sum of $250 at any one building: *Provided,* That the Postmaster General is authorized to contract for telephone service in public buildings under his administration by means of telephone switchboards or equivalent telephone switching equipment jointly serving in each case two or more governmental activities, where he determines that joint service is economical and in the interest of the Government, and to secure reimbursement for the cost

of such joint service from available appropriations for telephone expenses of the bureaus and offices receiving the same.

Equipment, public buildings: For the procurement, including transportation, of furniture, carpets, safes, safe and vault protective devices, and repairs of same, for use in public buildings which are now, or may hereafter be, operated by the Post Office Department, $950,000: *Provided,* That excepting expenditures for labor for or incidental to the moving of equipment from or into public buildings, the foregoing appropriation shall not be used for personal services except for work done under contract or for temporary job labor under exigency and not exceeding at one time the sum of $100 at any one building: *Provided further,* That all furniture now owned by the United States in other public buildings or in buildings rented by the United States shall be used, so far as practicable, whether or not it corresponds with the present regulation plan of furniture.

Deficiency in postal revenues: If the revenues of the Post Office Department shall be insufficient to meet the appropriations made under title II of this Act, a sum equal to such deficiency in the revenues of such Department is hereby appropriated, to be paid out of any money in the Treasury not otherwise appropriated, to supply such deficiency in the revenues of the Post Office Department for the fiscal year ending June 30, 1949, and the sum needed

may be advanced to the Post Office Department upon requisition of the Postmaster General.

During the fiscal year 1949, the Postmaster General shall make quarterly reports to the Senate and House Committees on Appropriations, showing for each quarter the amount paid from each appropriation for overtime, the number of employees receiving such overtime, and the number of hours of overtime worked by such employees, together with a statement as to the necessity for such overtime work.

This title may be cited as the "Post Office Department Appropriation Act, 1949".

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided,* That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Govern-

ment employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further,* That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further,* That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 302. This Act may be cited as the "Treasury and Post Office Departments Appropriation Act, 1949".

Passed the House of Representatives March 11, 1948.

Attest: JOHN ANDREWS,

Clerk.

80TH CONGRESS
2D SESSION

H. R. 5770

AN ACT

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes.

MARCH 12 (legislative day, FEBRUARY 2), 1948

Read twice and referred to the Committee on Appropriations

Calendar No. 1438

80TH CONGRESS, 2d Session | SENATE | REPORT No. 1389

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, FISCAL YEAR 1949

MAY 24, (legislative day, MAY 20), 1948.—Ordered to be printed

Mr. CORDON, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 5770]

The Committee on Appropriations, to whom was referred the bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House	$1,981,722,350
Increase by Senate (net)	28,878,850
Amount of bill as reported to Senate	2,010,601,200
Amount of regular and supplemental estimates for 1949	2,044,949,200
Amount of appropriations for 1948	1,919,611,950
The bill as reported to Senate:	
Exceeds the appropriations for 1948	90,989,250
Under the estimates for 1949	34,348,000

Treasury Department bill, title I:

Amount as passed House	$290,453,100
Amount of increase by Senate	18,545,500
Amount of bill as reported to Senate	308,998,600
Amount of regular and supplemental estimates for 1949	334,304,700
Amount of appropriations for 1948	313,678,400
The bill as reported to the Senate:	
Under the estimates for 1949	25,306,100
Under the appropriations for 1948	4,679,800

Post Office bill, title II:

Amount as passed House	1,691,269,250
Amount of increase by Senate (net)	10,333,350
Amount of bill as reported to Senate	1,701,602,600
Amount of regular estimates for 1949	1,710,644,500
Amount of appropriations for 1948	1,605,933,550
The bill as reported to the Senate:	
Under the estimates for 1949	9,041,900
Exceeds the appropriations for 1948	95,669,050

General Statement

The committee has proposed a total appropriation of $2,010,601,200 for the Treasury and Post Office Departments in the fiscal year 1949. This amount will provide $308,998,600 for the Treasury Department and $1,701,602,600 for the Post Office Department. The total recommended amount is $28,878,850 over the House allowance of $1,981,722,350, is $34,348,000 under the 1949 revised estimates of $2,044,949,200, and $90,989,250 over the 1948 appropriations of $1,919,611,950, for comparable items. Of the $308,998,600 proposed for the Treasury Department, $12,432,000 represents additional funds for the Bureau of Internal Revenue which the committee considered justified in light of testimony presented during its hearing on the supplemental estimate, Senate Document 156, submitted in the amount of $27,323,000. As stated in the House report the bill carries no funds for the Bureau of Customs, Coast Guard, acquisition of

strategic and critical materials, and refunding of internal revenue collections which will be carried in a subsequent bill. The 1949 total appropriation estimate for these four Treasury items is $2,524,519,275.

For ready reference there is attached a tabulation of the direct appropriations carried in the bill, as well as the 1949 estimated obligations for the permanent appropriations totaling $5,877,868,083, and for trust funds, aggregating $3,313,584,430.

Treasury Department

The committee recommends a total appropriation of $308,998,600 to meet the 1949 fund requirements of the Treasury Department. For comparative purposes this proposed sum is $18,545,500 over the House allowance of $290,453,100, is $25,306,100 under the 1949 revised estimates of $334,304,700 and is $4,679,800 under the original 1948 appropriations which totaled $313,678,400. The House made a reduction of $16,528,600 from the 1949 original estimates of $306,981,700, and of this reduced amount the Department requested restoration of $13,113,500 plus $27,323,000 contained in supplemental estimate submitted in Senate Document 156, for the Bureau of Internal Revenue. Of the $13,113,500 requested restored, the committee has allowed $6,113,500, or a reduction of $7,000,000. This reduction represents the difference between $10,000,000, the amount estimated for increased capitalization of the General Supply Fund, and $3,000,000 the amount considered justified for such purpose. As to the supplemental estimate submitted for $27,323,000, the committee has provided $12,432,000. Of this additional sum, $10,000,000 is for personal services and $2,432,000 for objects of expenditure other than personal services, in the Bureau of Internal Revenue. The House allowed $186,736,000 for salaries and expenses of the Bureau, or a reduction of $1,264,000 under the 1949 estimate of $188,000,000. The committee has recommended the restoration of the $1,264,000 plus $12,432,000 of the supplemental request, or a total increase of $13,696,000 over the House allowance of $186,736,000.

In providing the additional funds, the committee has also recommended an increase in the limitations to afford some flexibility in Bureau operations and at the same time provide the Secretary of the Treasury with authority to carry out some of the recommendations made by the advisory group to the Joint Committee on Internal Revenue Taxation in addition to the upgrading plan vitally needed as an incentive in the enforcement units, which includes to a lesser degree the alcohol tax units of the field service. Provision has been also recommended to authorize the Secretary of the Treasury to undertake and direct, by contract or otherwise, employment of firms or experts to perform a detailed reorganization and management study of the Bureau. The sum of $150,000 is provided for this purpose in lieu of $300,000 requested.

In providing $10,000,000 for additional personal services in the Bureau of Internal Revenue, $2,000,000 of such amount may be expended as the Secretary deems necessary to upgrade essential positions outlined in the justifications and testimony presented to the Committee, and the balance for employment of additional enforcement personnel with due consideration first given to the need for such personnel before augmenting the force of the alcohol tax units.

Post Office Department

The committee recommends a total appropriation of $1,701,602,600 to meet the 1949 fund requirements of the departmental and field services, Post Office Department. For comparative purposes this recommended sum represents an increase of $10,333,350 over the 1949 House allowance of $1,691,269,250, is $9,041,900 under the 1949 estimates of $1,710,644,500, and is $95,669,050 in excess of the 1948 appropriations which aggregated $1,605,933,550. The House made a reduction of $19,375,250 from the 1949 estimates and of this reduced amount the Department requested a net restoration of $10,634,650.

In allowing additional operating funds particularly for the postal service, the committee recognizes the work load attributed to the increased volume of mail, also the increased and somewhat uncontrollable costs for new equipment, supplies and services. It is their considered judgment, however, that the officials vested with authority to control such expenditures should keep constantly alert to the vital need for maintaining costs at a minimum level, to establish work-simplification programs as expeditiously as possible, and to lend full and complete cooperation to the installation of new and modern labor-saving devices wherever practicable within available funds.

The committee endorses the purpose of the survey and study of the postal service which is now being conducted under House Resolution 176, and has accordingly approved the earmarking of funds for the supervision, installation, and operation of pilot mail-sorting equipment. Savings must be effected in the Department's operating costs to help reduce the postal deficit which is estimated to be approximately $326,000,000 in the fiscal year 1949. The committee in considering the apparent need for flexibility in the apportionment of funds made available for field operations has inserted in the bill a provision authorizing the transfer of funds between field service appropriations after approval of the Bureau of the Budget.

POSTAL DEFICIT

The committee recognizes the vital need for reduction of the postal deficit estimated to be $345,000,000 in the current fiscal year. It is cognizant of the fact that a greater portion of this deficit occurs in costs for handling second-, third-, and fourth-class mails, and in special services. This is attributed, in the main, to the low rates fixed for such classes and to the abnormal increase in volume of pieces, especially in the parcel-post category. This latter situation results from increased express rates which has caused heavy channeling of parcels through postal service in order to take advantage of low rates. To illustrate, a pound package dispatched 150 miles by parcel post costs only 9 cents as against 73 cents if sent by express. As a consequence the parcel-post deficit in 1947 was $41,000,000, and for 1948 is estimated to be $93,000,000. To rectify this unfavorable situation the committee's view is that the Postmaster General should take immediate steps to comply with the provisions of existing law, contained in 39 United States Code, section 247, which empowers him, with consent of the Interstate Commerce Commission, to fix parcel-post rates at a level to cover the costs of service rendered. The cited law is as follows:

SECTION 247. REFORMATION OF CLASSIFICATION, ETC.

The classification of articles mailable, as well as the weight limit, the rates of postage, zone or zones, and other conditions of mailability under sections 240, 293, and 294 of this title if the Postmaster General shall find on experience that they or any of them are such as to prevent the shipment of articles desirable, or to permanently render the cost of the service greater than the receipts of the revenue therefrom, he is directed, subject to the consent of the Interstate Commerce Commission after investigation, to re-form from time to time such classifications, weight limit, rates, zone or zones, or conditions, or either, in order to promote the service to the public or to insure the receipt of revenue from such service adequate to pay the cost thereof. (Feb. 28, 1925, ch. 368, sec. 207, 43 Stat. 1067; May 29, 1928, ch. 856, sec. 7, 45 Stat. 942.)

Action by the Postmaster General, as above recommended, will of course affect only that portion of the deficit resulting from parcel-post activities. The committee recognizes that costs of operating the postal system have increased far more rapidly than have receipts in practically every phase of the service, but the postal rates for the most part have not risen beyond the levels which were established before costs began to increase. The establishment of postal rates is a legislative matter except with respect to the provisions above set out. This committee therefore recommends that the appropriate legislative committee undertake a study of postal rates with a view to materially reducing, if not eliminating, the postal deficit.

AIR MAIL SUBSIDY

The present bill contains $58,583,000 for payment of costs of carrying air mail and the subsidy to commercial air lines. The subsidy represents the major portion of this amount, and has no direct relationship to the cost of air-mail transportation. Increasing competitive air transportation will unquestionably result in further increasing this subsidy payment. The rate of air-mail transportation is not fixed by the Post Office Department but by the Civil Aeronautics Board and is intended to represent the amount which added to other revenues is sufficient to guarantee to the air lines in question profit on their venture. The Civil Aeronautics Act of 1938, as amended, is the authority for this arbitrary charge against the Federal Treasury. The committee commends to the attention of the Senate Report No. 1958 of the House Post Office and Civil Service Committee of the present session wherein this problem is discussed at length.

As stated in the House Report No. 1958 "the practice of granting retroactive air-mail pay was a means of underwriting any losses whatever and, in effect, is a situation similar to 'cost-plus' contracts." Other important findings of the committee are that the "present procedure makes available a large sum of money from air-mail pay for expensive experiments in the domestic air-line pattern," also that "current operating expenditures (now exceeding revenues) are used as a basis for petitioning for increased mail pay. Some trunk lines have shown spectacular profits in past years which are not considered in these current petitions for air-mail pay increases." The report further stated that—

under the present system * * * it is virtually impossible to have any satisfactory approach to establishing air-mail rates or air parcel-post rates which will provide revenues to equal the expenditures for carrying this particular class of mail. This situation is aggravated by the fact that increases in rates paid to carriers have no relationship to the service performed by the carrier for the Post Office Department. It is the recommendation of the committee that the subsidy element in air-mail pay be separated * * * the better solution is to make provisions for subsidies directly to the Civil Aeronautics Board.

The committee recommends to the appropriate legislative committees that a comprehensive study be made of the administration of the subsidy provision of the Civil Aeronautics Act of 1938, as amended, with a view to enacting legislation which will divorce subsidy from the legitimate air-mail transportation costs so that the true picture can be made available to the American people.

TREASURY DEPARTMENT—TITLE I

Increases and Limitations

The changes in the amounts of the House bill recommended by the committee are as follows:

Division of Tax Research:

Salaries $31,400

The committee recommends an appropriation of $141,400, the estimate, or an increase of $31,400 over the House allowance of $110,000. The increased amount is necessary to provide personnel essential for tax-researeh work.

Office of General Counsel:

Salaries 25,000

The committee recommends an appropriation of $250,000, the estimate, or an increase of $25,000 over the House allowanee of $225,000. The additional sum recommended will provide sufficient funds to maintain adequate personnel required for the essential tasks of the office.

Bureau of the Public Debt:

Administering the public debt 908,100

The committee recommends that $908,100 be proprovided in the bill in addition to the House allowance of $51,500,000, or a total of $52,408,100 for administering the public debt. The additional sum proposed is for expenditure in promoting the sale of savings bonds, a program which if retarded through curtailment of personnel and other serviees might eontribute to inflationary trends. The limitation on such expenditure is likewise increased from $3,750,000 to $4,658,100.

Bureau of Internal Revenue:

Salaries and expenses 13,696,000

The committee recommends that $13,696,000 be added to the House allowance of $186,736,000, or a total of $200,432,000 to be provided for salaries and expenses. The additional sum of $13,696,000 represents the committee's restoration of $1,264,000 which the House redueed from the original estimate of $188,000,000, plus $12,432,000 allowed from the supplemental estimate, Senate Document 156, submitted for $27,323,000. Of the $1,264,000 restored, $530,000 is for personal serviees, and $734,000 for expenditures other than personal services. Of the additional allowance, $12,432,000, the sum of $10,000,000 is for additional personal services including the employment of Alcohol Tax Unit personnel and $2,000,000 for upgrading of positions and the balance, $2,432,000 for expenditures other than personal services. Thus the additional sums recommended will provide $10,530,000 for personal services, or a

TREASURY DEPARTMENT—TITLE I—Continued

Increases and Limitations—Continued

Bureau of Internal Revenue—Continued

total of $179,266,000 in lieu of $168,736,000 proposed by the House, and $3,166,000 for expenditures other than personal services, or a total of $21,166,000 in lieu of $18,000,000 proposed by the House.

The committee also recommends the limitation for personal services in the District of Columbia be increased $530,000 to provide $16,530,000; for printing and binding an increase of $176,500 to provide $2,576,500; for stationery an increase of $100,000 to provide $1,500,000; and for payment of rewards an increase of $400,000 to provide $500,000.

To provide funds for the Secretary of Treasury to institute and direct a management and operational study of the Bureau of Internal Revenue, the committee recommends that the following proviso be added to the appropriation for salaries and expenses:

:Provided, That not to exceed $150,000 of the amount appropriated under this head for the fiscal year 1949 shall be available for expenses by contract or otherwise, of such management and operational studies as are necessary in the Bureau of Internal Revenue

Bureau of Engraving and Printing:

Salaries and expenses $830,000

The committee recommends that $830,000 be allowed in addition to the House allowance of $12,000,000, or a total of $12,830,000 for sueh item. This additional sum will provide the Bureau with suffieient funds to meet its estimated 1949 currency and equipment requirements.

Bureau of Federal Supply:

Salaries and expenses 35,000

The eommittee recommends a total appropriation of $1,310,000, which is the same amount as provided for 1948. This recommended amount is $35,000 in exeess of the House allowanee of $1,275,000, and is considered justified in light of basie fund requirements for personal serviees of the Bureau.

Printing and binding 20,000

The committee recommends an inerease of $20,000 over the House allowanee of $150,000, or a total appropriation of $170,000 for printing and binding. The additional recommended sum will obviate the apparent necessity for eurtailment of the Daily Treasury Statement, Treasury decisions, and other items considered necessary services to the Treasury and the public.

General supply fund 3,000,000

The committee recommends that the following paragraph be added to the bill:

General supply fund, Bureau of Federal Supply: To inerease the general supply fund established by the Act approved February 27, 1929, as amended (41 U. S. C. 7c), $3,000,000.

The Department requested restoration of this item ineluded in the budget estimates which the House disallowed. The present capitalization of the general supply fund is $8,000,000 and the Department requested its increase to $18,000,000, or an increase of

TREASURY DEPARTMENT—TITLE I—Continued

Increases and Limitations—Continued

Bureau of Federal Supply—Continued

$10,000,000. The committee is of the opinion that $3,000,000 is sufficient to provide additional capital under the expanded program proposed in the ensuing year, especially as respects the increase of warehouse stocks which are needed to provide greater efficiency of operations and additional savings through timely and expanded purchases of stocks for Government use.

Purchase of typewriters:

The committee recommends that the following language, adopted on the House floor, be deleted from the bill:

> In the event the Director of Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters of special type out of stock on hand he may purchase such manually operated machines at the average list price of the industry less 30 per centum out of funds specifically appropriated for that purpose.

and the following inserted in lieu thereof:

> *In the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters out of stock on hand, he may purchase, out of funds specifically appropriated for that purpose, such machines at the lowest published retail list price for any such typewriters offered for sale to the Federal Government less 30 per centum, plus the amount of Federal excise tax applicable to the lowest published retail list price.*

The Bureau of Federal Supply suggested the amended language to cover costs of Federal excise taxes. The committee feels that some relief in this instance should be afforded to typewriter companies.

Total increase, Treasury Department	$18,545,500
Amount of title I—Treasury Department	308,998,600

POST OFFICE DEPARTMENT—TITLE II

Increases and Limitations

Salaries, in bureaus and offices:

Second Assistant Postmaster General	$40,000
Fourth Assistant Postmaster General	71,000
Bureau of Accounts	40,000
Total, salaries, in bureaus and offices	151,000

Contingent expenses:

Miscellaneous expenses	24,300
Printing and binding	228,000
Total, contingent expenses	252,300

POST OFFICE DEPARTMENT—TITLE II—Continued

Increases and Limitations—Continued

Field service:

Office of the First Assistant Postmaster General:	
Compensation to assistant postmasters	$200,000
Carfare and bicycle allowance	200,000
Office of the Second Assistant Postmaster General:	
Indemnities, international mail	5,000
Foreign air-mail service	7,083,000
Office of the Fourth Assistant Postmaster General:	
Miscellaneous supplies and equipment	1,000,000

The committee recommends that the following language preceding the proviso in this paragraph be deleted:

and of which $100,000 shall be available exclusively for mechanizing devices for separation of mails

and that the following be inserted in lieu thereof: *and of which $50,000 shall be available exclusively for mechanizing devices for separation of mails, and $50,000 shall be available exclusively for the necessary research, and for the design, manufacture, and installation of pilot mail-sorting equipment, as recommended on page 73 of House Report Numbered 1656, Eightieth Congress, second session, and for the necessary supervision of the installation and operation of such equipment*

The allowance of $8,158,000 for miscellaneous supplies and equipment is $1,000,000 over the House proposal of $7,158,000, and $308,000 in excess of the estimate of $7,850,000. The committee feels the increased allowance is essential to provide sufficient funds for the purchase of equipment for the postal service, and modern postal devices and mail-sorting equipment authorized under the carmarked funds provision.

The committee also recommends in the proviso of this paragraph that the following words be deleted:

or blueprints

since such wording is no longer required because the blueprinting process has been supplanted by the ozalid or ammonia process machine.

Equipment shops	107,250

The committee recommends $12,907,250 for equipment shops in lieu of $12,800,000 proposed by the House. The increase of $107,250 is to provide for the purchase of additional new mail bags.

Rent, fuel, and utility services	500,000
Vehicle service	914,000
Total increase, Field service	10,009,250
Total increase, Post Office Department, title II	10,412,550

POST OFFICE DEPARTMENT—TITLE II—Continued

Decreases and Limitations

Field service:

Office of the Second Assistant Postmaster General:
Foreign mail transportation $79,200

The committee recommends that the following language preceding the proviso in this paragraph be deleted:

including not to exceed $79,200 to cover the cost to the United States for maintaining sea-post service on ocean steamships conveying mails to and from the United States

The decrease and language deletion recommended is because sea-post service will not be reestablished in fiscal year 1949.

Transfer of funds:

The committee recommends that the following transfer authority paragraph be added to the bill:

Not to exceed 5 per centum of any appropriation for the Field Service, Post Office Department, may be transferred, with the approval of the Dirctor of the Bureau of the Budget, to any other appropriation or appropriations under the same Service, but no appropriation shall be increased more than 10 per centum by such transfers.

This proposed transfer authority will provide the Department with some flexibility in meeting its field service operating costs, and should lessen the need for deficiencies, through the medium of transferring unobligated balances between appropriations.

Total decrease, Post Office Department 79,200

Total net increase, Post Office Department 10,333,350

Amount of title II, Post Office Department 1,701,602,600

Total increase, titles I and II 28,958,050

Total decrease, titles I and II 79,200

Total, net increase, titles I and II 28,878,850

Amount of bill as reported to the Senate:

Treasury Department, title I 308,998,600

Post Office Department, title II 1,701,602,600

Grand total, titles I and II 2,010,601,200

COMPARATIVE STATEMENT OF THE APPROPRIATIONS FOR 1948, THE ESTIMATES FOR 1949, AND AMOUNTS RECOMMENDED IN THE BILL

TITLE I—TREASURY DEPARTMENT

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in House bill for 1949	Recommended by Senate committee	Increase (+) or decrease (−), Senate committee bill compared with—		
					Appropriations, 1948	Estimate, 1949	House bill, 1949
OFFICE OF SECRETARY OF TREASURY							
Secretary's Office, salaries	$409,000	$409,000	$380,000	$380,000	−$29,000	−$29,000	
Personal or property damage claims	20,000	50,000	30,000	30,000	+10,000	−20,000	
Penalty mail costs	6,700,000	6,350,000	5,900,000	5,900,000	−800,000	−450,000	
Refunds under Renegotiation Act	7,500,000	3,250,000	2,000,000	2,000,000	−5,500,000	−1,250,000	
Total, Office of the Secretary	14,629,000	10,059,000	8,310,000	8,310,000	−6,319,000	−1,749,000	
Foreign funds control, liquidation	275,000				−275,000		
Division of Tax Research, salaries	200,000	[1] 141,400	110,000	141,400	−58,600		+$31,400
OFFICE OF GENERAL COUNSEL							
Salaries	250,000	250,000	225,000	250,000			+25,000
Contract settlement, salaries and expenses	75,000	75,000	75,000	75,000			
Total, Office of General Counsel	325,000	325,000	300,000	325,000			+25,000
DIVISION OF PERSONNEL							
Salaries	127,000	127,000	120,000	120,000	−7,000	−7,000	
Health service programs	75,000	75,000	70,000	70,000	−5,000	−5,000	
Total, Division of Personnel	202,000	202,000	190,000	190,000	−12,000	−12,000	

[1] Excludes $58,600 for activities transferred in the estimates to "Administering the public debt."

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in the bill—Con.

TITLE I—TREASURY DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in House bill for 1949	Recommended by Senate committee	Increase (+) or decrease (−), Senate committee bill compared with—		
					Appropriations, 1948	Estimate, 1949	House bill, 1949
OFFICE OF CHIEF CLERK							
Salaries	$326,000	$326,000	$300,000	$300,000	−$26,000	−$26,000	
Miscellaneous expenses	225,000	[2] 253,000	240,000	240,000	+15,000	−13,000	
Printing and binding	35,000	([3])			−35,000		
Total, Office of Chief Clerk	586,000	579,000	540,000	540,000	−46,000	−39,000	
Treasury buildings, custodial force, salaries	650,000	650,000	645,000	645,000	−5,000	−5,000	
FISCAL SERVICE							
BUREAU OF ACCOUNTS							
Salaries and expenses	1,016,000	[4] 1,505,000	1,475,000	1,475,000	+459,000	−30,000	
Deposit of withheld taxes, salaries and expenses	460,000	([5])			−460,000		
Printing and binding	60,000	([6])			−60,000		
Dishursement, Division of:							
Salaries and expenses	9,935,000	[7] 10,070,000	10,000,000	10,000,000	+65,000	−70,000	
Printing and binding	170,000	([8])			−170,000		
Contingent expenses, puhlic moneys	400,000	400,000	375,000	375,000	−25,000	−25,000	
Recoinage of silver coins	200,000	150,000	150,000	150,000	−50,000		
Relief of the indigent, Alaska	14,000	18,000	18,000	18,000	+4,000		
Fund for payment of Government losses in shipment		325,000				−325,000	
Refund of moneys erroneously received and eovered	700,000	700,000	700,000	700,000			

Payment of certified claims	700,000	900,000	800,000	800,000	+100,000	−100,000	
Total, Bureau of Accounts	13,655,000	14,068,000	13,518,000	13,518,000	−137,000	−550,000	
BUREAU OF THE PUBLIC DEBT							
Administering the public debt	64,800,000	[9] 53,213,200	51,500,000	52,408,100	−12,391,900	−805,100	+$908,100
Distinctive paper for United States currency	1,113,000	1,300,000	1,300,000	1,300,000	+187,000		
Total, Bureau of the Public Debt	65,913,000	54,513,200	52,800,000	53,708,100	−12,204,900	−805,100	+908,100
OFFICE OF THE TREASURER OF THE UNITED STATES							
Salaries and expenses	4,900,000	[10] 5,040,000	4,980,000	4,980,000	+80,000	−60,000	
Printing and binding	140,000	([11])			−140,000		
Total, Office of the Treasurer	5,040,000	5,040,000	4,980,000	4,980,000	−60,000	−60,000	
BUREAU OF INTERNAL REVENUE							
Salaries and expenses	188,000,000	[12] 215,323,000	186,736,000	200,432,000	+12,432,000	−14,891,000	+13,696,000
Additional income tax on railroads in Alaska	3,500	4,500	4,500	4,500	+1,000		
Total, Bureau of Internal Revenue	188,003,500	215,327,500	186,740,500	200,436,500	+12,433,000	−14,891,000	+13,696,000
BUREAU OF NARCOTICS							
Salaries and expenses	1,430,000	[13] 1,434,000	1,450,000	1,450,000	+20,000	+16,000	
Printing and binding	4,000	([14])			−4,000		
Total, Bureau of Narcotics	1,434,000	1,434,000	1,450,000	1,450,000	+16,000	+16,000	

[2] Includes $28,600 for activities previously carried under "Printing and binding, Treasury Department."
[3] Estimate of $28,600 for activities previously carried under this item has been transferred in the estimates to "Miscellaneous expenses, Treasury Department."
[4] Includes $527,207 previously carried under other appropriations.
[5] Estimate of $460,000 for activities previously carried under this item has been transferred in the estimates to "Salaries and expenses, Bureau of Accounts."
[6] Estimate of $60,000 for activities previously carried under this item has been transferred in the estimates to "Salaries and expenses, Bureau of Accounts."
[7] Includes $170,000 for activities previously carried under "Printing and binding, Division of Disbursement," and excludes $7,207 for activities transferred to "Salaries and expenses, Bureau of Accounts."
[8] Estimate of $170,000 for activities previously carried under this item bas been transferred in the estimates to "Salaries and expenses, Division of Disbursement."
[9] Includes $58,600 for activities previously carried under "Salaries, Division of Tax Research and Research and Statistics."
[10] Includes $140,000 for activities previously carried under "Printing and binding, Office of the Treasurer of the United States."
[11] Estimate of $140,000 for activities previously carried under this title bas been transferred in the estimates to "Salaries and expenses, Office of tbe Treasurer of the United States."
[12] Includes $27,323,000 in S. Doc. No. 156.
[13] Includes $4,000 for activities previously carried under "Printing and binding, Bureau of Narcotics."
[14] Estimate of $4,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of Narcotics."

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in the bill—Con.

TITLE I—TREASURY DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in House bill for 1949	Recommended by Senate committee	Increase (+) or decrease (−), Senate committee bill compared with—		
					Appropriations, 1948	Estimate, 1949	House bill, 1949
BUREAU OF ENGRAVING AND PRINTING							
Salaries and expenses	$12,000,000	[15] $12,830,000	$12,000,000	$12,830,000	+$830,000		+$830,000
Printing and binding	5,000	[16]			−5,000		
Total, Bureau of Engraving and Printing	12,005,000	12,830,000	12,000,000	12,830,000	+825,000		+830,000
SECRET SERVICE DIVISION							
Departmental salaries	85,000	[17]			−85,000		
Suppressing counterfeiting and other crimes	1,550,000	[18]			−1,550,000		
Salaries and expenses		[19] 1,715,000	1,715,000	1,715,000	+1,715,000		
White House Police:							
Salaries	372,900	[20]			−372,900		
Uniforms and equipment	9,000	[21]			−9,000		
Salaries and expenses		[22] 370,000	370,000	370,000	+370,000		
Treasury buildings, guard force, salaries and expenses	720,000	650,000	645,000	645,000	−75,000	−$5,000	
Printing and binding	8,000	[23]			−8,000		
Reimbursement to District of Columbia	68,500	84,600	84,600	84,600	+16,100		
Total, Secret Service Division	2,813,400	2,819,600	2,814,600	2,814,600	+1,200	−5,000	

BUREAU OF THE MINT							
Director's Office, salaries and expenses	185,000	[24]			−185,000		
Salaries and expenses		[25] 4,691,000	4,500,000	4,500,000	+4,500,000	−191,000	
Transportation of bullion and coin	22,500	5,000	5,000	5,000	−17,500		
Mints and assay offices, salaries and expenses	6,250,000	[26]			−6,250,000		
Printing and binding	10,000	[27]			−10,000		
Total, Bureau of the Mint	6,467,500	4,696,000	4,505,000	4,505,000	−1,962,500	−191,000	
BUREAU OF FEDERAL SUPPLY							
Salaries and expenses	1,310,000	1,310,000	1,275,000	1,310,000			+35,000
General supply fund		10,000,000		3,000,000	+3,000,000	−7,000,000	+3,000,000
Printing and binding	170,000	170,000	150,000	170,000			+20,000
Renegotiation rebates		[28] 140,000	125,000	125,000	+125,000	−15,000	
Total, Bureau of Federal Supply	1,480,000	11,620,000	1,550,000	4,605,000	+3,125,000	−7,015,000	+3,055,000
Total, Treasury Department, title I, regular annual appropriations	313,678,400	334,304,700	290,453,100	308,998,600	−4,679,800	−25,306,100	+18,545,500

[15] Includes $5,000 for activities previously carried under "Printing and binding, Bureau of Engraving and Printing."
[16] Estimate of $5,000 for activities previously carried under this title bas been transferred in the estimates to "Salaries and expenses, Bureau of Engraving and Printing."
[17] Estimate of $86,600 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Secret Service."
[18] Estimate of $1,620.400 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Secret Service."
[19] Estimate of $1,715,000 is a consolidation of "Salaries, Secret Service Division." "Printing and binding, Secret Service Division," and "Suppressing counterfeiting and other crimes."
[20] Estimate of $361,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, White House Police."
[21] Estimate of $9,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, White House Police."
[22] Estimate of $370,000 is a consolidation of the appropriations, "Salaries, White House Police," and "Uniforms and equipment, White House Police."
[23] Estimate of $8,000 for activities previously carried under this title has been transferred in tbe estimates to "Salaries and expenses, Secret Service."
[24] Estimate of $205,650 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of the Mint."
[25] Estimate of $4,691,000 is a consolidation of the appropriations, "Salaries and exnenses, Office of the Director of the Mint," and "Printing and binding, Bureau of the Mint.'
[26] Estimate of $4,475,350 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of the Mint."
[27] Estimate of $10,000 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses, Bureau of the Mint."
[28] Estimate is for activities carried in the fiscal year 1948 under "Working fund, Bureau of Federal Supply, 1947," established by transfer from the War and Navy Departments, the U. S. Maritime Commission, and the Reconstruction Finance Corporation.

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in the bill—Con.

TITLE II—POST OFFICE DEPARTMENT

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in House bill for 1949	Recommended by Senate committee	Increase (+) or decrease (−), Senate committee bill compared with—		
					Appropriations, 1948	Estimate, 1949	House bill, 1949
POST OFFICE DEPARTMENT, WASHINGTON, D. C.							
Salaries							
Postmaster General, office of	$375,000	$406,600	$395,000	$395,000	+$20,000	−$11,600	
Office of Budget and Administrative Planning	59,500	68,300	65,000	65,000	+5,500	−3,300	
First Assistant Postmaster General, office of	1,115,000	1,200,000	1,162,500	1,162,500	+47,500	−37,500	
Second Assistant Postmaster General, office of	[1] 1,033,500	990,000	928,000	968,000	−65,500	−22,000	+$40,000
Third Assistant Postmaster General, office of	1,332,500	1,362,000	1,350,000	1,350,000	+17,500	−12,000	
Fourth Assistant Postmaster General, office of	712,500	823,000	752,000	823,000	+110,500		+71,000
Solicitor's office	250,000	250,000	250,000	250,000			
Chief inspector's office	400,000	408,100	405,000	405,000	+5,000	−3,100	
Purchasing agent's office	83,800	85,000	85,000	85,000	+1,200		
Bureau of Accounts	500,000	525,000	485,000	525,000	+25,000		+40,000
Total, salaries	5,861,800	6,118,000	5,877,500	6,028,500	+166,700	−89,500	+151,000
Contingent							
Miscellaneous expenses, Washington	145,000	204,300	160,000	184,300	+39,300	−20,000	+24,300
Printing and binding	[2] 1,950,000	2,228,000	2,000,000	2,228,000	+278,000		+228,000
Total, contingent expenses, Washington	2,095,000	2,432,300	2,160,000	2,412,300	+317,300	−20,000	+252,300
Grand total, Post Office Department, Washington, D. C.	7,956,800	8,550,300	8,037,500	8,440,800	+484,000	−109,500	+403,300

FIELD SERVICE							
Office of Postmaster General							
Travel and miscellaneous expenses	3,000	3,000	3,000	3,000			
Personal property claims	230,000	230,000	175,000	175,000	−55,000	−55,000	
Adjusted losses and contingencies	[3] 130,000	80,000	75,000	75,000	−55,000	−5,000	
Total, Office of Postmaster General	363,000	313,000	253,000	253,000	−110,000	−60,000	
Office of Chief Inspector							
Inspectors' salaries	4,300,000	4,400,000	4,350,000	4,350,000	+50,000	−50,000	
Traveling and miscellaneous expenses	960,000	983,100	958,000	958,000	−2,000	−25,100	
Clerks at headquarters	1,178,000	1,188,000	1,178,000	1,178,000		−10,000	
Rewards, payment of	55,000	70,000	55,000	55,000		−15,000	
Total, office of Chief Inspector	6,493,000	6,641,100	6,541,000	6,541,000	+48,000	−100,100	
First Assistant Postmaster General							
Postmasters	87,470,000	88,470,000	87,900,000	87,900,000	+430,000	−570,000	
Assistant postmasters	12,800,000	12,850,000	12,500,000	12,700,000	−100,000	−150,000	+200,000
Clerks, first- and second-class post offices	[4] 487,400,000	531,000,000	530,000,000	530,000,000	+42,600,000	−1,000,000	
Contract stations	3,500,000	3,800,000	3,500,000	3,500,000		−300,000	
Separating mails at third- and fourth-class post offices	180,000	191,400	180,000	180,000		−11,400	
Unusual conditions at post offices	25,000	30,000	25,000	25,000		−5,000	
Clerks, third-class post offices	24,000,000	26,000,000	25,500,000	25,500,000	+1,500,000	−500,000	
Miscellaneous items, first- and second-class post offices	3,600,000	4,000,000	3,850,000	3,850,000	+250,000	−150,000	
Village delivery service	300,000	330,000	300,000	300,000		−30,000	
Detroit River postal service	12,750	12,750	12,750	12,750			

[1] Includes $123,500 appropriated in Second Supplemental Appropriation Act, 1948.
[2] Includes $350,000 appropriated in Second Supplemental Appropriation Act, 1948.
[3] Includes $55,000 appropriated in Second Supplemental Appropriation Act, 1948.
[4] Second Supplemental Appropriation Act, 1948, provides for 6-percent increase in quarterly apportionments and also 5-percent reduction of appropriation for transfer to other First Assistant Postmaster General field appropriations.

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in the bill—Con.

TITLE II—POST OFFICE DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in House bill for 1949	Recommended by Senate committee	Increase (+) or decrease (−), Senate committee bill compared with—		
					Appropriations, 1948	Estimate, 1949	House bill, 1949
FIELD SERVICE—continued							
First Assistant Postmaster General—Continued							
Carfare and bicycle allowanee including special-delivery carfare	[4] [5] $2,125,000	$3,000,000	$2,800,000	$3,000,000	+$875,000		+$200,000
Letter carriers, city delivery service	[4] 295,300,000	326,000,000	326,000,000	326,000,000	+30,700,000		
Fees to special-delivery messengers	[4] [6] 14,750,000	17,000,000	16,000,000	16,000,000	+1,250,000	−$1,000,000	
Rural delivery serviee	[7] 131,167,000	135,719,000	135,719,000	135,719,000	+4,552,000		
Total, Office of First Assistant	1,062,629,750	1,148,403,150	1,144,286,750	1,144,686,750	+82,057,000	−3,716,400	+400,000
Second Assistant Postmaster General							
Inland transportation:							
Star-route service (transportation)	[8] 22,500,000	[9] 25,501,000	25,501,000	25,501,000	+3,001,000		
Star routes in Alaska	[10] 713,000	(11)			−713,000		
Steamboat or other powerboat routes	[8] [12] 2,000,000	2,133,000	2,133,000	2,133,000	+133,000		
Railroad transportation and mail-messenger service	[8] 145,000,000	165,881,000	165,881,000	165,881,000	+20,881,000		
Railway Mail Serviee:							
Salaries	[8] [13] 104,100,000	109,195,000	109,188,000	109,188,000	+5,088,000	−7,000	
Travel allowanee, railway postal clerks	[8] 5,000,000	5,237,000	5,237,000	5,237,000	+237,000		
Travel expenses, officials and supervisors	55,000	66,000	66,000	66,000	+11,000		
Miseellaneous expenses	450,000	510,000	490,000	490,000	+40,000	−20,000	
Electric-car service	210,000	220,000	220,000	220,000	+10,000		

Foreign mail transportation (except air mail)	[14] 19,500,000	23,842,000	23,842,000	23,762,800	+4,262,800	−79,200	−79,200
Balances due foreign countries	[15] 8,250,000	3,250,000	3,000,000	3,000,000	−5,250,000	−250,000	
Indemnities, international mail	15,000	20,000	15,000	20,000	+5,000		+5,000
Foreign air-mail transportation	[16] 40,500,000	26,583,000	19,500,000	26,583,000	−13,917,000		+7,083,000
Domestic air-mail transportation	[17] 47,000,000	[18] 35,588,000	32,000,000	32,000,000	−15,000,000	−3,588,000	
Total, Office of Second Assistant	395,293,000	398,026,000	387,073,000	394,081,800	−1,211,200	−3,944,200	+7,008,800
Third Assistant Postmaster General							
Manufacture and distribution of stamps and stamped paper	[19] 9,400,000	9,911,000	9,335,000	9,335,000	−65,000	−576,000	
Indemnities, domestic mail	[20] 3,521,000	3,898,000	3,775,000	3,775,000	+254,000	−123,000	
Unpaid money orders	[21] 1,000,000	1,017,000	900,000	900,000	−100,000	−117,000	
Total, Office of Third Assistant	13,921,000	14,826,000	14,010,000	14,010,000	+89,000	−816,000	
Fourth Assistant Postmaster General							
Stationery, equipment, and supplies	6,500,000	7,850,000	7,158,000	8,158,000	+1,658,000	+308,000	+1,000,000
Equipment shops	[22] 6,700,000	12,907,250	12,800,000	12,907,250	+6,207,250		+107,250

[4] Second Supplemental Appropriation Act, 1948, provides for 6-percent increase in quarterly apportionments and also 5-percent reduction of appropriation for transfer to other First Assistant Postmaster General field appropriations

[5] Includes $325,000 appropriated in Second Supplemental Appropriation Act, 1948.

[6] Includes $750,000 appropriated in Second Suppmenetal Appropriation Act, 1948.

[7] Includes $2,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[8] Second Supplemental Appropriation Act, 1948, provides for 4-percent increase in quarterly apportionments and also 5-percent reduction of appropriation for transfer to other Second Assistant Postmaster General field appropriations.

[9] Includes $37,000 for activities previously carried under "Star route and air mail service, Alaska."

[10] Includes $298,000 appropriated in Second Supplemental Appropriation Act.

[11] Estimates of $1,154,373 for activities previously carried under this item have been transferred to other items.

[12] Includes $300,000 appropriated in Second Supplemental Appropriation Act, 1948.

[13] Includes $100,000 appropriated in Second Supplemental Appropriation Act, 1948.

[14] Includes $10,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[15] Includes $5,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[16] Includes $35,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[17] Includes $10,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[18] Includes $1,117,373 for activities previously carried under "Star route and air-mail service, Alaska."

[19] Includes $2,000,000 appropriated in Second Supplemental Appropriation Act, 1948.

[20] Includes $1,221,000 appropriated in Second Supplemental Appropriation Act, 1948.

[21] Includes $400,000 appropriated in Second Supplemental Appropriation Act, 1948.

[22] Includes $3,500,000 appropriated in Second Supplemental Appropriation Act, 1948.

Comparative statement of the appropriations for 1948, the estimates for 1949, and amounts recommended in the bill—Con.

TITLE II—POST OFFICE DEPARTMENT—Continued

Object	Appropriations for 1948	Budget estimates for 1949	Recommended in House bill for 1949	Recommended by Senate committee	Increase (+) or decrease (−), Senate committee bill compared with—		
					Appropriations, 1948	Estimate, 1949	House bill, 1949
FIELD SERVICE—continued							
Fourth Assistant Postmaster General—Continued							
Rent, light, and fuel	[23] $13,907,000	$15,000,000	$14,500,000	$15,000,000	+$1,093,000	----------	+$500,000
Pneumatic-tube service (New York and Boston)	700,000	744,700	740,000	740,000	+40,000	−$4,700	----------
Vehicle service	[24] 38,500,000	42,914,000	42,000,000	42,914,000	+4,414,000	----------	+914,000
Transportation of equipment and supplies	[25] 620,000	1,099,000	1,000,000	1,000,000	+380,000	−99,000	----------
Public buildings, maintenance and operation:							
Operating force	44,750,000	44,685,000	44,600,000	44,600,000	−150,000	−85,000	----------
Operating supplies	[26] 6,850,000	7,500,000	7,320,000	7,320,000	+470,000	−180,000	----------
Furniture, etc	750,000	1,185,000	950,000	950,000	+200,000	−235,000	----------
Total, Office of Fourth Assistant	119,277,000	133,884,950	131,068,000	133,589,250	+14,312,250	−295,700	+2,521,250
Total, field service	1,597,976,750	1,702,094,200	1,683,231,750	1,693,161,800	+95,185,050	−8,932,400	+9,930,050
Total, Post Office, departmental	7,956,800	8,550,300	8,037,500	8,440,800	+484,000	−109,500	+403,300
Total, title II	1,605,933,550	1,710,644,500	1,691,269,250	1,701,602,600	+95,669,050	−9,041,900	+10,333,350
Grand total, titles I and II	[27] 1,919,611,950	2,044,949,200	1,981,722,350	2,010,601,200	+90,989,250	−34,348,000	+28,878,850

[23] Includes $650,000 appropriated in Second Supplemental Appropriation Act, 1948.
[24] Includes $2,000,000 appropriated in Second Supplemental Appropriation Act, 1948.
[25] Includes $100,000 appropriated in Second Supplemental Appropriation Act, 1948.
[26] Includes $100,000 appropriated in Second Supplemental Appropriation Act, 1948.
[27] Excludes appropriations in First Deficiency Act, 1948.

PERMANENT INDEFINITE APPROPRIATIONS

Object	Appropriations, 1948	Estimates, 1949	Increase (+) or decrease (−)
General and special funds:			
Interest on deposits of public moneys of Government of Philippine Islands	$2,766,667	$3,100,000	+$333,333
Pershing Hall memorial fund	5,083	5,083	
Interest on the public debt	5,200,000,000	5,250,000,000	+50,000,000
Statutory public debt retirements	818,509,810	624,763,000	−193,746,810
Total, general and special funds	6,021,281,560	5,877,868,083	−143,413,477
Trust funds:			
Federal old-age and survivors insurance trust fund	1,819,500,000	1,896,774,000	+77,274,000
Unemployment trust fund	1,404,050,100	1,416,611,930	+12,561,830
Payment of unclaimed moneys	100,000	100,000	
American Samoa trust fund	1,500	1,500	
Puerto Rico trust fund	5,300	5,300	
Expenses, Prohibition Act, Puerto Rico and Virgin Islands	105,600	91,700	−13,900
Total, trust funds	3,223,762,500	3,313,584,430	+89,821,930

Calendar No. 1438

80TH CONGRESS
2D SESSION

H. R. 5770

[Report No. 1389]

IN THE SENATE OF THE UNITED STATES

MARCH 12 (legislative day, FEBRUARY 2), 1948
Read twice and referred to the Committee on Appropriations

MAY 24 (legislative day, MAY 20), 1948
Reported by Mr. CORDON, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TREASURY DEPARTMENT

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department for the fiscal year ending June 30, 1949, namely:

OFFICE OF THE SECRETARY

Salaries: For personal services in the District of Colum-

Columbia, $70,000: *Provided,* That other appropriations in this Act shall be available for health service programs in the field.

OFFICE OF CHIEF CLERK

Salaries: For personal services in the District of Columbia, $300,000.

MISCELLANEOUS EXPENSES, TREASURY DEPARTMENT

Miscellaneous expenses: For necessary expenses of the Office of the Secretary and the bureaus and offices of the Treasury Department, not otherwise provided for, including operating expenses of the Treasury, Treasury Annex, Auditors', and Liberty Loan Buildings, and including not to exceed $25,000 for printing and binding and purchase of materials for the use of the bookbinder located in the Treasury Department; $240,000.

OFFICE OF SUPERINTENDENT OF TREASURY BUILDINGS

Salaries: For personal services in the District of Columbia, including the operating force of the Treasury Building, the Treasury Annex, the Liberty Loan Building, the Auditors' Building, and the west and south annexes thereof, $645,000.

FISCAL SERVICE

BUREAU OF ACCOUNTS

Salaries and expenses: For necessary expenses in the District of Columbia, including contract stenographic report-

ing services and not to exceed $50,000 for printing and binding, $1,475,000: *Provided,* That from the amount appropriated herein, the Federal Reserve banks and their branches may be reimbursed for printing and binding and other necessary expenses incident to the deposit of withheld taxes in Government depositories pursuant to the Current Tax Payment Act of 1943.

Salaries and expenses: For necessary expenses of the Division of Disbursement, including personal services in the District of Columbia, and printing and binding, $10,000,000: *Provided,* That with the approval of the Bureau of the Budget there may be transferred to this appropriation from Railroad Retirement Board, "Conservation and use of agricultural land resources, Department of Agriculture," and from available corporate funds of Government-owned or -controlled corporations, such sums as may be necessary to cover the expense incurred in performing the function of disbursement therefor.

Contingent expenses, public moneys: For contingent expenses under the requirements of section 3653 of the Revised Statutes (31 U. S. C. 545), for the collection, safekeeping, transfer, and disbursement of the public money, transportation of notes, bonds, and other securities of the United States, transportation of gold coin and gold certificates transferred to Federal Reserve banks and branches,

United States mints and assay offices, and the Treasury, after March 9, 1933, actual expenses of examiners detailed to examine the books, accounts, and money on hand at the several depositories, including national banks acting as depositories under the requirements of section 3649, Revised Statutes (31 U. S. C. 548), also including examinations of cash accounts at mints, $375,000.

Recoinage of silver coins: For expenses necessary to continue the recoinage of worn and uncurrent subsidiary silver coins of the United States now in the Treasury or hereafter received, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coins and the amount the same will produce in new coins, $150,000.

Relief of the indigent, Alaska: For the payment to the United States district judges in Alaska (not to exceed 10 per centum of the receipts from licenses collected outside of incorporated towns in Alaska), to be expended for the relief of persons in Alaska who are indigent and incapacitated through nonage, old age, sickness, or accident, $18,000.

Refund of moneys erroneously received and covered: For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 18 of the Permanent Appropriation Repeal Act of

1934, approved June 26, 1934, and any other collections erroneously received and covered which are not properly chargeable to any other appropriation, $700,000.

Payment of certified claims: For the payment of claims (not to exceed $500 in any case) which may be certified during the fiscal year 1949 by the Comptroller General of the United States to be lawfully due, within the limits of, and chargeable against the balances of the respective appropriations heretofore made which, after remaining unexpended, have been carried to the surplus fund pursuant to section 5 of the Act of June 20, 1874 (31 U. S. C. 713), $800,000.

Payment of unclaimed moneys: For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 17 of the Permanent Appropriation Repeal Act of 1934, approved June 26, 1934, payable from the funds held by the United States in the trust fund receipt account "Unclaimed moneys of individuals whose whereabouts are unknown", $100,000.

BUREAU OF THE PUBLIC DEBT

Administering the public debt: For necessary expenses connected with any public-debt operations authorized by the Second Liberty Bond Act, as amended (31 U. S. C. 760–762), and with the administration of any public debt or currency issues of the United States with which the Secre-

tary of the Treasury is charged, including not to exceed ~~$3,750,000~~ *$4,658,100* for promoting the sale of savings bonds, ~~$51,500,000~~ *$52,408,100*, to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided*, That from the amount appropriated herein, the Federal Reserve banks and their branches may be reimbursed for expenditures made by them as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury, and advances to the Postmaster General may be made in accordance with the provisions of section 22 (e) of the Second Liberty Bond Act, as amended (31 U. S. C. 757c (e)), which section shall be construed as applying to this appropriation: *Provided further*, That the indefinite appropriation provided by section 10 of the Second Liberty Bond Act, as amended, shall not be available for obligation during the fiscal year 1949.

Distinctive paper for United States currency: For distinctive paper for United States currency, including transportation of paper, traveling, mill, and other necessary expenses, and salaries of employees and allowance, in lieu of expenses, of officer or officers detailed from the Treasury Department, not exceeding $50 per month each when actually on duty, $1,300,000: *Provided*, That in order to foster competition

in the manufacture of distinctive paper for United States securities, the Secretary of the Treasury is authorized, in his discretion, to split the award for such paper for the fiscal year 1949 between the two bidders whose prices per pound are the lowest received after advertisement.

OFFICE OF THE TREASURER OF THE UNITED STATES

Salaries and expenses: For necessary expenses of the Office of the Treasurer, including not to exceed $100,000 for printing and binding, $4,980,000: *Provided*, That with the approval of the Bureau of the Budget, there may be transferred to this appropriation, from Railroad Retirement Board, "Conservation and use of agricultural land resources, Department of Agriculture," and from available corporate funds of Government owned or controlled corporations, such sums as may be necessary to cover the expenses incurred in the clearing of checks, servicing of bonds, handling of collections and rendering of accounts therefor.

BUREAU OF INTERNAL REVENUE

Salaries and expenses: For necessary expenses in connection with the assessment and collection of internal-revenue taxes and the administration of the internal-revenue laws, including the administration of such provisions of other laws as are authorized by or pursuant to law to be administered by or under the direction of the Commissioner of Internal

Revenue, including one stamp agent (to be reimbursed by the stamp manufacturers) and the employment of experts; the securing of evidence of violations of the Acts, the cost of chemical analyses made by others than employees of the United States and expenses incident to such chemists testifying when necessary; necessary expenses incurred in making investigations in connection with the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters, expenses of seizure and sale, and contract stenographic reporting services; for the acquisition of property under the provisions of title III of the Liquor Law Repeal and Enforcement Act, approved August 27, 1935 (49 Stat. 872–881), and the operation, maintenance, and repair of property acquired under such title III; purchase, for replacement (not to exceed three hundred and thirty-four) and hire of passenger motor vehicles, as follows: for personal services, ~~$168,736,000~~ *$179,266,000*, of which not to exceed ~~$16,000,000~~ *$16,530,000* may be expended for personal services at the seat of Government; and for objects of expenditure other than personal services, ~~$18,000,000~~ *$21,166,000*, including printing and binding (not to exceed ~~$2,400,000~~ *$2,576,500*), stationery (not to exceed ~~$1,400,000~~ *$1,500,000*), ammunition, and not to exceed ~~$100,000~~ *$500,000* for detecting and bringing to trial persons guilty of violating the internal-revenue laws or conniving

at the same, including payments for information and detection of such violation; in all for salaries and expenses, ~~$186,736,000~~ *$200,432,000: Provided, That not to exceed $150,000 of the amount appropriated under this head for the fiscal year 1949 shall be available for expenses by contract or otherwise, of such management and operational studies as are necessary in the Bureau of Internal Revenue.*

Additional income tax on railroads in Alaska: For the payment to the Treasurer of Alaska of an amount equal to the tax of 1 per centum collected on the gross annual income of all railroad corporations doing business in Alaska, on business done in Alaska, which tax is in addition to the normal income tax collected from such corporations on net income, the amount of such additional tax to be applicable to general Territorial purposes, $4,500.

BUREAU OF NARCOTICS

Salaries and expenses: For expenses, including the securing of information and evidence, necessary to enforce sections 2550–2565; 2567–2571; 2590–2603; 3220–3228; 3230–3238 of the Internal Revenue Code; the Narcotic Drugs Import and Export Act, as amended (21 U. S. C. 171–184); the Act of June 14, 1930 (5 U. S. C. 282–282c and 21 U. S. C. 197–198) and the Opium Poppy Control Act of 1942 (21 U. S. C. Supp. V, 188–188n), including the employment of attorneys; services as authorized by sec-

tion 15 of the Act of August 2, 1946 (5 U. S. C. 55a); the costs of chemical analyses made by others than employees of the United States; cost incurred by officers and employees of the Bureau of Narcotics in the seizure, forfeiture, storage, and disposition of property under the Act of August 9, 1939 (49 U. S. C. 781–788), and the internal-revenue laws; hire of motor vehicles; purchase of arms and ammunition; in all, $1,450,000, including personal services in the District of Columbia and printing and binding; not exceeding $10,000 for the collection and dissemination of information and appeal for law observance and law enforcement, including cost of printing, and not exceeding $10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice.

BUREAU OF ENGRAVING AND PRINTING

For the work of engraving and printing, exclusive of repay work, United States currency and internal-revenue stamps, including opium orders and special-tax stamps required under the Act of December 17, 1914 (26 U. S. C. 1040, 1383), checks, drafts, and miscellaneous work, as follows:

Salaries and expenses: For the Director, two Assistant Directors, and other personal services in the District of Columbia, including wages of rotary press plate printers at per diem rates and all other plate printers at piece rates to

be fixed by the Secretary of the Treasury, not to exceed the rates usually paid for such work; and other necessary expenses, including engravers' and printers' materials and other materials, including distinctive and nondistinctive paper, except distinctive paper for United States currency and Federal Reserve bank currency; purchase of card and continuous form checks; equipment of, repairs to, and maintenance of buildings and grounds and minor alterations to buildings; periodicals, examples of engraving and printing, including foreign securities and stamps, and books of reference, not to exceed $500; traveling expenses not to exceed $15,000; printing and binding; transfer to the Bureau of Standards for scientific investigations in connection with the work of the Bureau of Engraving and Printing, not to exceed $15,000; ~~$12,000,000~~ *$12,830,000*, to be expended under the direction of the Secretary of the Treasury.

During the fiscal year 1949 all proceeds derived from work performed by the Bureau of Engraving and Printing, by direction of the Secretary of the Treasury, not covered and embraced in the appropriations for such Bureau for such fiscal year, instead of being covered into the Treasury as miscellaneous receipts, as provided by the Act of August 4, 1886 (31 U. S. C. 176), shall be credited when received to the appropriations for such Bureau for the fiscal year 1949.

SECRET SERVICE DIVISION

Salaries and expenses, Secret Service: For expenses necessary in detecting, arresting, and delivering into the custody of the United States marshal or other officer having jurisdiction, dealers and pretended dealers in counterfeit money, persons engaged in counterfeiting, forging, and altering United States notes, bonds, national bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments (including endorsements thereon and assignments thereof), as well as the coins of the United States and of foreign governments, and persons committing other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control, and for the protection of the person of the President and the members of his immediate family and of the person chosen to be President of the United States, including personal services in the District of Columbia; purchase (not to exceed sixteen for replacement only) and hire of passenger motor vehicles; printing and binding; and purchase of arms and ammunition; $1,715,000: *Provided*, That of the amount herein appropriated not to exceed $15,000 may be expended, with the approval of the Chief of the Secret Service, for the purpose of securing information concerning violations of the laws relating to the Treasury

Department and for services or information looking toward the apprehension of criminals.

Salaries and expenses, White House Police: For salaries and expenses, including uniforms and equipment, purchase and repair of revolvers, and the purchase and issue of ammunition and miscellaneous supplies, to be purchased in such manner as the President may determine, $370,000.

Salaries and expenses, guard force, Treasury buildings: For expenses of the guard force for Treasury Department buildings in the District of Columbia, including the Bureau of Engraving and Printing, and elsewhere, including purchase, repair, and cleaning of uniforms, purchase of two passenger motor vehicles for replacement only, and the purchase of arms and ammunition and miscellaneous equipment, $645,000: *Provided,* That not to exceed $168,925 of the appropriation "Salaries and expenses, Bureau of Engraving and Printing", may be transferred to this appropriation to cover service rendered such Bureau in connection with the protection of currency, bonds, stamps, and other papers of value the cost of producing which is not covered and embraced in the direct appropriations for such Bureau: *Provided further,* That the Secretary of the Treasury may detail two agents of the Secret Service to supervise such force.

Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces:

For reimbursement to the District of Columbia on a monthly basis for benefit payments made from the revenues of the District of Columbia to members of the White House Police force and such members of the United States Secret Service Division as are entitled thereto under the Act of October 14, 1940 (54 Stat. 1118), to the extent that such benefit payments are in excess of the salary deductions of such members credited to said revenues of the District of Columbia during the fiscal year 1949, pursuant to section 12 of the Act of September 1, 1916 (39 Stat. 718), as amended, $84,600.

BUREAU OF THE MINT

Salaries and expenses: For necessary expenses at the mints at Philadelphia, Pennsylvania, San Francisco, California, and Denver, Colorado; the assay offices at New York, New York, and Seattle, Washington; the bullion depositories at Fort Knox, Kentucky, and West Point, New York; the Office of the Director of the Mint; and for carrying out the provisions of the Gold Reserve Act of 1934 and the Silver Purchase Act of 1934, including personal services in the District of Columbia, printing and binding, new machinery and repairs, arms and ammunition, purchase and maintenance of uniforms and accessories for guards, protective devices, and their maintenance, training of employees in use of firearms and protective devices, cases and enameling

for medals manufactured, net wastage in melting and refining and in coining departments, loss on sale of sweeps arising from the treatment of bullion and the manufacture of coins, not to exceed $1,000 for the expenses of the annual assay commission, and not exceeding $1,000 for the acquisition, at the dollar face amount or otherwise, of specimen and rare coins, including United States and foreign gold coins and pieces of gold used as, or in lieu of, money, and ores, for addition to the Government's collection of such coins, pieces, and ores; $4,500,000.

Transportation of bullion and coin: For transportation of bullion and coin, between mints, assay offices, and bullion depositories, $5,000, including compensation of temporary employees and other necessary expenses.

BUREAU OF FEDERAL SUPPLY

Salaries and expenses: For necessary expenses, including personal services in the District of Columbia and in the field service, office supplies and materials, stationery, fuel, light, electric current, and other expenses for carrying into effect regulations governing the procurement, warehousing, and distribution by the Bureau of Federal Supply of the Treasury Department of property, equipment, stores, and supplies in the District of Columbia and in the field, ~~$1,275,000~~ *$1,310,000*: *Provided*, That the Secretary of

the Treasury is authorized and directed to transfer to this appropriation from any appropriations or funds available to the several departments and establishments of the Government such amounts as may be approved by the Bureau of the Budget, not to exceed the sum of (a) the amount of the annual compensation of employees who may be transferred or detailed to the Bureau of Federal Supply, respectively, from any such department or establishment, where the transfer or detail of such employee is incident to a transfer of a function or functions to that Bureau and (b) such amount as the Bureau of the Budget may determine to be necessary for expenses other than personal services incident to the proper carrying out of functions so transferred: *Provided further,* That when there has been or shall be transferred from any agency of the Government to the Bureau of Federal Supply any function of warehousing, and the agency from which such function is being transferred is authorized at the time of such transfer to perform functions of procurement, warehousing, or distribution of property, equipment, stores, or supplies for non-Federal agencies the Bureau of Federal Supply is authorized to continue the performance of such functions for such non-Federal agencies where such functions are to be discontinued by the agency from which the warehousing function has been transferred, and the

receipts, including surcharge, for all issues to and all advances by all non-Federal agencies shall be credited to the general supply fund: *Provided further,* That payments to the general supply fund for materials, and supplies (including fuel), and services, and overhead expenses for all issues shall be made on the books of the Treasury Department by transfer and counterwarrants prepared by the Bureau of Federal Supply of the Treasury Department and countersigned by the Comptroller General, such warrants to be based solely on itemized invoices prepared by the Bureau of Federal Supply at issue prices to be fixed by the Director of Federal Supply: *Provided further,* That payments covering transactions between the Bureau of Federal Supply and field offices of other Government agencies whose detailed appropriation or fund accounts are maintained elsewhere than within the District of Columbia, may be made on the basis of itemized vouchers or invoices prepared by the Bureau of Federal Supply and sent through the appropriate field offices to the disbursing officers for the agencies involved, who are hereby authorized to make payment based (1) upon certification of the Bureau of Federal Supply, which shall include the specific statement that the vouchers are issued pursuant to and in conformity with purchase orders or requisitions duly executed by the agency billed, and (2) upon approval and certification of such vouchers by the agency billed, which

action shall be based upon acceptance of the Bureau of Federal Supply certification as made, subject to later adjustment if necessary, the responsibility of the certifying officer to be limited to the availability of the funds to be charged: *Provided further,* That the general supply fund may be used to purchase from or through the Public Printer standard forms and blank-book work for field warehouse stocking and issue, but issues thereof shall be made only to Government agencies and shall be chargeable to applicable appropriation authorizations or limitations of such agencies for printing and binding, and reports of such issues shall be made as the Public Printer may require: *Provided further,* That advances received pursuant to law (31 U. S. C. 686) from departments and establishments of the United States Government and the government of the District of Columbia during the fiscal year 1949 shall be credited to the general supply fund: *Provided further,* That per diem employees engaged in work in connection with operations of the fuel yards may be paid rates of pay approved by the Secretary of the Treasury not exceeding current rates for similar services in the District of Columbia: *Provided further,* That the term "fuel" shall be held to include "fuel oil": *Provided further,* That the reconditioning and repair of surplus property and equipment for disposition or reissue to Government service, may be made at cost by the Bureau of

Federal Supply, payment therefor to be effected by charging the proper appropriation and crediting the general supply fund.

Repairs to typewriting machines (except bookkeeping and billing machines) in the Government service in the District of Columbia and areas adjacent thereto may be made at cost by the Bureau of Federal Supply, payment therefor to be effected by charging the proper appropriation and crediting the general supply fund.

No part of any money appropriated by this or any other Act shall be used during the fiscal year 1949 for the purchase, within the continental limits of the United States, of any typewriting machines (except bookkeeping and billing machines and typewriting machines for veterans under public laws administered by the Veterans' Administration).

Each agency in the executive branch of the Government (which shall include all departments, independent establishments, and wholly owned Government corporations) is authorized and directed (1) to report within thirty days after the enactment of this Act, or by July 1, 1948, whichever is the later, to the Director of the Bureau of Federal Supply the total number of typewriting machines in the possession or custody of such agency and the number thereof surplus to its requirements, and (2) to surrender and ship such

surplus typewriting machines as the Director of the Bureau of Federal Supply may direct. Costs of packing and shipping hereunder shall be charged to the general supply fund. Each agency shall furnish the Director of the Bureau of Federal Supply such information regarding typewriting machines as he may from time to time request. The Bureau of Federal Supply is authorized and directed to receive and hold all typewriting machines surrendered to it hereunder and to distribute same to any of such agencies as the Director of the Bureau of Federal Supply may determine. ~~In the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters of special type out of stock on hand he may purchase such manually operated machines at the average list price of the industry less 30 per centum out of funds specifically appropriated for that purpose.~~ *In the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters out of stock on hand, he may purchase, out of funds specifically appropriated for that purpose, such machines at the lowest published retail list price for any such typewriters offered for sale to the Federal Government less 30 per centum, plus*

the amount of Federal excise tax applicable to the lowest published retail list price.

The Director of the Bureau of Federal Supply is authorized and directed at such times as he may determine to be necessary to survey and determine the number and kinds of typewriters which are at any time surplus to the requirements of any agency. Upon such determination the Director of the Bureau of Federal Supply is authorized to direct, upon such notice and in such manner as he may prescribe, the head of any agency to surrender to the Bureau of Federal Supply any and all typewriting machines, surplus to its requirements, and such determination and direction by the Director of the Bureau of Federal Supply shall be final and conclusive upon all agencies, officers, and employees of the executive branch of the Government of the United States.

The Director of the Bureau of Federal Supply is authorized to charge each agency to which typewriting machines are supplied hereunder amounts equal to the fair value thereof, as determined by him, and such amounts shall be credited to the general supply fund.

General supply fund, Bureau of Federal Supply: To increase the general supply fund established by the Act ap-

proved February 27, 1929, as amended (41 U. S. C. 7c), $3,000,000.

Printing and binding: For printing and binding for the Bureau of Federal Supply, including printed forms and miscellaneous items for general use of the Treasury Department, the cost of transportation to field offices of printed and bound material and the cost of necessary packing boxes and packing materials, ~~$150,000~~ *$170,000*, together with not to exceed $30,000 to be transferred from the general supply fund, Treasury Department.

Net renegotiation rebates: For necessary expenses, including personal services in the District of Columbia, in connection with the processing and determination of net renegotiation rebates under section 403 (a) (4) (D) of the Renegotiation Act, $125,000.

No part of any appropriation or authorization in this Act shall be used to pay any part of the salary or expenses of any person whose salary or expenses are prohibited from being paid from any appropriation or authorization in any other Act.

This title may be cited as the "Treasury Department Appropriation Act, 1949".

TITLE II—POST OFFICE DEPARTMENT

The following sums are appropriated in conformity with 5 United States Code 361, 380; 39 United States Code 786,

for the Post Office Department for the fiscal year ending June 30, 1949, namely:

POST OFFICE DEPARTMENT, WASHINGTON, DISTRICT OF COLUMBIA

OFFICE OF THE POSTMASTER GENERAL

Salaries: For the Postmaster General and other personal services in the office of the Postmaster General in the District of Columbia, including a health service program as authorized by law (5 U. S. C. 150), $395,000.

SALARIES IN BUREAUS AND OFFICES

For personal services in the District of Columbia in bureaus and offices of the Post Office Department in not to exceed the following amounts, respectively:

Office of Budget and Administrative Planning, $65,000.

Office of the First Assistant Postmaster General, $1,162,500.

Office of the Second Assistant Postmaster General, ~~$928,000~~ *$968,000.*

Office of the Third Assistant Postmaster General, $1,350,000.

Office of the Fourth Assistant Postmaster General, ~~$752,000~~ *$823,000.*

Office of the Solicitor for the Post Office Department, $250,000.

Office of the Chief Inspector, $405,000.

Office of the Purchasing Agent, $85,000.

Bureau of Accounts, ~~$485,000~~ *$525,000.*

CONTINGENT EXPENSES, POST OFFICE DEPARTMENT

For necessary, contingent and miscellaneous expenses not otherwise provided for; purchase and exchange of lawbooks and books of reference; newspapers; and travel expenses of the purchasing agent and of the solicitor and personnel connected with his office, not exceeding $2,100; ~~$160,000~~ *$184,300.*

For printing and binding for the Post Office Department and Postal Service, ~~$2,000,000~~ *$2,228,000.*

Appropriations hereinafter made for the field service of the Post Office Department, except as otherwise provided, shall not be expended for any of the purposes hereinbefore provided for on account of the Post Office Department in the District of Columbia: *Provided,* That necessary expenses of officials and employees of the Post Office Department and Postal Service, when traveling on official business, may be paid from the appropriations for the service in connection with which the travel is performed: *Provided further,* That appropriations hereinafter made, except such as are exclusively for payment of compensation, shall be available for expenses in connection with the examination of estimates for appropriations in the field including per diem allowances in lieu of actual expenses of subsistence: *And provided further,* That

the appropriations for the Post Office Department and the Postal Service shall be available for expenditures in connection with accident prevention, but no appropriation made for the field service shall be expended on account of the Post Office Department in the District of Columbia.

FIELD SERVICE, POST OFFICE DEPARTMENT

OFFICE OF THE POSTMASTER GENERAL

Travel and miscellaneous expenses: For travel and miscellaneous expenses in the Postal Service, offices of the Postmaster General and Assistant Postmasters General, $3,000.

Damage claims: For the payment of claims for damages to persons or property occurring in the fiscal year 1949, or in prior fiscal years, pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921), and in accordance with the provisions of the Deficiency Appropriation Act, approved June 16, 1921 (5 U. S. C. 392), as amended by the Act approved June 22, 1934 (31 U. S. C. 224c), $175,000.

Adjusted losses and contingencies: To pay to postmasters, navy mail clerks, and assistant navy mail clerks, coast guard mail clerks, assistant coast guard mail clerks, army mail clerks, and assistant army mail clerks, or credit them with the amount ascertained to have been lost or destroyed during the fiscal year 1949, or prior

fiscal years, through unavoidable casualty resulting from no fault or negligence on their part, as authorized by the Act approved March 17, 1882, as amended by the Act approved December 7, 1945 (39 U. S. C. 49), $75,000.

OFFICE OF THE CHIEF INSPECTOR

Salaries of inspectors: For salaries of fifteen inspectors in charge of divisions and eight hundred inspectors, $4,350,000.

Travel and miscellaneous expenses: For necessary travel and miscellaneous expenses incurred in the operation of the post office inspection service, not to exceed $27,600 for chemical and other investigations, and not to exceed $500 for books of reference, $958,000.

Clerks: For compensation of not exceeding three hundred and eighty-nine clerks in the post office inspection service, $1,178,000.

Rewards: For payment of rewards for the detection, arrest, and conviction of post office burglars, robbers, highway mail robbers, and persons mailing or causing to be mailed any bomb, infernal machine, or mechanical, chemical, or other device or composition which may ignite, or explode, fiscal year 1949 and prior years, $55,000: *Provided,* That rewards may be paid in the discretion of the Postmaster General, when an offender of the classes mentioned was killed in the act of committing the crime or in resisting lawful arrest: *Provided*

further, That no part of this sum shall be used to pay any rewards at rates in excess of those specified in Post Office Department Order 28673, dated July 28, 1945: *Provided further*, That of the amount herein appropriated not to exceed $20,000 may be expended in the discretion of the Postmaster General, for the purpose of securing information concerning violations of the postal laws and for services and information looking toward the apprehension of criminals.

OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

Compensation to postmasters: For compensation to postmasters, including compensation as postmaster to persons who, pending the designation of an acting postmaster, assume and perform the duties of postmaster in the event of a vacancy in the office of postmaster of the third or fourth class, and to persons who perform the duties for postmasters of the fourth class absent on sick or annual leave or leave without pay, and for allowances for rent, light, fuel, and equipment to postmasters of the fourth class, $87,900,000.

Compensation to assistant postmasters: For compensation to assistant postmasters at first- and second-class post offices, ~~$12,500,000~~ *$12,700,000*.

Clerks, first- and second-class post offices: For compensation to clerks and employees at first- and second-class post offices, including auxiliary clerk hire at summer and winter post offices, printers, mechanics, skilled laborers, watchmen,

messengers, mail handlers, and substitutes, and the maintenance of health service program as authorized by law (5 U. S. C. 150), $530,000,000.

Contract station service: For contract station service, $3,500,000.

Separating mails: For separating mails at fourth-class post offices, $180,000.

Unusual conditions: For unusual conditions at post offices, $25,000.

Clerks, third-class post offices: For compensation to clerks at third-class post offices, $25,500,000.

Miscellaneous items, first- and second-class post offices: For expenses necessary for the operation and protection of post offices of the first and second classes, and the business conducted in connection therewith, not provided for in other appropriations, $3,850,000.

Village delivery service: For village delivery service in towns and villages having post offices of the second or third class, and in communities adjacent to cities having city delivery, $300,000.

Detroit River service: For Detroit River postal service $12,750.

Carfare and bicycle allowance: For carfare and bicycle allowance, including special delivery carfare, cost of trans-

porting carriers by privately owned automobiles to and from their routes, at rates not exceeding regular streetcar or bus fare, and purchase, maintenance, and exchange of bicycles, ~~$2,800,000~~ *$3,000,000*.

City delivery carriers: For pay of letter carriers, city delivery service, and United States official mail and messenger service, $326,000,000.

Special delivery service: For compensation and fees to special delivery messengers, $16,000,000.

Rural delivery service: For pay for rural carriers, auxiliary carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, tolls and ferriage, and necessary expenses of the rural delivery service, $135,719,000, of which not less than $200,000 shall be available for extensions and new service.

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Star route service: For inland transportation by star routes, including temporary service to newly established offices, $25,501,000.

Powerboat service: For inland transportation by steamboat or other powerboat routes, including ship, steamboat, and way letters, $2,133,000.

Railroad transportation and mail messenger service: For inland transportation by railroad routes and for mail mes-

senger service, $165,881,000: *Provided,* That separate accounts be kept of the amount expended for mail messenger service.

Railway mail service, salaries: For fifteen general superintendents, fifteen assistant general superintendents, two assistant general superintendents at large, one hundred and twenty district superintendents, one hundred and twenty assistant district superintendents, and other employees in the railway mail service, $109,188,000.

Railway mail service, travel allowance: For travel allowance to railway postal clerks and substitute railway postal clerks, $5,237,000.

Railway mail service, travel expenses: For travel expenses of departmental officials and supervisory employees of the railway mail service, and railway postal clerks, $66,000.

Railway mail service, miscellaneous expenses: For necessary expenses of the railway mail service not provided for in other appropriations, $490,000.

Electric car service: For electric car service, $220,000.

Foreign mail transportation: For transportation of foreign mails, except by aircraft, ~~$23,842,000, including not to exceed $79,200 to cover the cost to the United States for maintaining sea post service on ocean steamships conveying mails to and from the United States~~ *$23,762,800*:

Provided, That not to exceed $12,500 is hereby made available for expenses of delegates designated from the Post Office Department by the Postmaster General to the Sixth Congress of the Postal Union of the Americas and Spain, The Executive and Liaison Commission and the Transit Commission of the Universal Postal Union, and the conference on revision of the 1929 "Prisoners of War" Convention, to be expended in the discretion of the Postmaster General and accounted for on his certificate, which certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended, which amount shall be available until December 31, 1949.

Balances due foreign countries: For balances due foreign countries, fiscal year 1949 and prior years, $3,000,000: *Provided,* That there shall be established immediately, by transfer of $5,000,000 from the appropriation for "Balances due foreign countries" for the fiscal year 1948, a revolving fund which shall be available without fiscal year limitation for advances to air carriers for the transportation of air mail from foreign countries to the United States as authorized by section 2 of the Act of July 27, 1940 (49 U. S. C. 485b), and payments hereafter received from foreign countries on account of air carriers for the transportation of air mail from foreign countries to the United States shall be credited to such fund.

Indemnities, international mail: For payment of limited indemnity for the injury or loss of international mail in accordance with convention, treaty, or agreement stipulations, fiscal year 1949 and prior years, ~~$15,000~~ *$20,000*.

Foreign air mail service: For transportation of foreign mails by aircraft, as authorized by law, ~~$19,500,000~~ *$26,583,000*.

Domestic air mail service: For expenses necessary for the inland transportation of mail by aircraft, as authorized by law, including not to exceed $176,000 for supervisory officials and clerks at field headquaters, $32,000,000.

OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

Stamps and stamped paper: For manufacture and distribution of stamps and stamped paper, and not to exceed $30,000 for compensation to employees and other necessary expenses of the United States Stamped Envelope Agency, $9,335,000.

Indemnities, domestic mail: For payment of indemnity for the injury or loss of domestic registered, insured, and collect-on-delivery mail, and for failure to remit collect-on-delivery charges, fiscal year 1949 and prior years, $3,775,000.

Unpaid money orders: For payment of domestic money orders after one year from the last day of the month of issue of such orders, $900,000.

OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

Miscellaneous supplies and equipment: For the purchase, manufacture, repair, and installation of necessary miscellaneous equipment and supplies for the Postal Service not provided for in other appropriations; for the purchase of atlases and geographical and technical works not to exceed $1,500; and not exceeding $191,400 for personal services, including salaries of fourteen traveling mechanicians; for rental of canceling machines and motors, mechanical mail-handling apparatus, and other labor-saving devices; and for travel expenses; ~~$7,158,000~~ *$8,158,000*, of which $400,000 shall be available exclusively for the purchase of modern mechanical postal devices, ~~and of which $100,000 shall be available exclusively for mechanizing devices for separation of mails~~ *and of which $50,000 shall be available exclusively for mechanizing devices for separation of mails, and $50,000 shall be available exclusively for the necessary research, and for the design, manufacture, and installation of pilot mail-sorting equipment, as recommended on page 73 of House Report Numbered 1656, Eightieth Congress, second session, and for the necessary supervision of the installation and operation of such equipment*: *Provided*, That the Postmaster General may authorize the sale to the public of post-route maps and rural-delivery maps ~~or blueprints~~ at the cost of printing and 10 per centum thereof added.

Equipment shops: For the purchase, manufacture, and repair of mail bags and other equipment for the postal service not provided for in other appropriations; necessary expenses for the operation, maintenance, and protection of the mail equipment shops building, grounds, and equipment, and a health service program as authorized by law (5 U. S. C. 150); ~~$12,800,000~~ *$12,907,250*, of which not to exceed $1,255,000 may be expended for personal services in the District of Columbia and not exceeding $15,000 for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipments as may be required by other executive departments; and for services in Alaska, Puerto Rico, Hawaii, or other island possessions.

Rent, fuel, and utility services: For rent, light, power, fuel, and water, for first-, second-, and third-class post offices, and the cost of advertising for lease proposals for such offices, ~~$14,500,000~~ *$15,000,000*.

Pneumatic tube service: For rental of not exceeding twenty-eight miles of pneumatic tubes, hire of labor, communication service, electric power, and other expenses for transmission of mail in the city of New York including the Borough of Brooklyn; and for rental of not exceeding two miles of pneumatic tubes, not including labor and power in operating the same, for the trans-

mission of mail in the city of Boston, Massachusetts; $740,000: *Provided,* That the Acts of April 21, 1902, May 27, 1908, and June 19, 1922 (39 U. S. C. 423), relating to contracts for the transmission of mail by pneumatic tubes or other similar devices shall not be applicable to the city of New York, and the provisions not inconsistent herewith of the Acts of April 21, 1902, and May 27, 1908 (39 U. S. C. 423), shall be applicable to the city of Boston.

Vehicle service: For the hire, purchase, maintenance, repair, and operation of vehicles for use in the collection, transportation, delivery, and supervision of the mail, including the repair of vehicles owned by, or under the control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the Postal Service; the rental of garage facilities; lease of quarters not exceeding a term of ten years for the housing of Government-owned motor vehicles, and including compensation to necessary employees in the motor vehicle service, ~~$42,000,000~~ *$42,914,000,* of which $4,400,000 shall be available exclusively for the purchase of trucks: *Provided,* That the Postmaster General may purchase and maintain from this appropriation such tractors and trailer trucks as may be required in the operation of the vehicle service: *Provided further,* That no part of this appropriation shall be expended

for maintenance or repair of motor-propelled passenger-carrying vehicles for use in connection with the administrative work of the Post Office Department in the District of Columbia.

Transportation of equipment and supplies: For the transportation and delivery of equipment, materials, and supplies for the Post Office Department and Postal Service by freight, express, or motor transportation, and other incidental expenses, $1,000,000.

Operating force, public buildings: For compensation to employees in the custodial service, $44,600,000.

Operating supplies, public buildings: For necessary miscellaneous articles, services and supplies, including transportation thereof, required for the operation of completed and occupied public buildings and grounds operated by the Post Office Department, $7,320,000, which shall not be available for personal services except for work done by contract, or for temporary job labor under exigency not exceeding at one time the sum of $250 at any one building: *Provided,* That the Postmaster General is authorized to contract for telephone service in public buildings under his administration by means of telephone switchboards or equivalent telephone switching equipment jointly serving in each case two or more governmental activities, where he determines that joint service is economical and in the interest

of the Government, and to secure reimbursement for the cost of such joint service from available appropriations for telephone expenses of the bureaus and offices receiving the same.

Equipment, public buildings: For the procurement, including transportation, of furniture, carpets, safes, safe and vault protective devices, and repairs of same, for use in public buildings which are now, or may hereafter be, operated by the Post Office Department, $950,000: *Provided,* That excepting expenditures for labor for or incidental to the moving of equipment from or into public buildings, the foregoing appropriation shall not be used for personal services except for work done under contract or for temporary job labor under exigency and not exceeding at one time the sum of $100 at any one building: *Provided further,* That all furniture now owned by the United States in other public buildings or in buildings rented by the United States shall be used, so far as practicable, whether or not it corresponds with the present regulation plan of furniture.

Deficiency in postal revenues: If the revenues of the Post Office Department shall be insufficient to meet the appropriations made under title II of this Act, a sum equal to such deficiency in the revenues of such Department is hereby appropriated, to be paid out of any money in the Treasury not otherwise appropriated, to supply such deficiency in the revenues of the Post Office Department for

the fiscal year ending June 30, 1949, and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General.

During the fiscal year 1949, the Postmaster General shall make quarterly reports to the Senate and House Committees on Appropriations, showing for each quarter the amount paid from each appropriation for overtime, the number of employees receiving such overtime, and the number of hours of overtime worked by such employees, together with a statement as to the necessity for such overtime work.

Not to exceed 5 per centum of any appropriation for the Field Service, Post Office Department, may be transferred, with the approval of the Director of the Bureau of the Budget, to any other appropriation or appropriations under the same Service, but no appropriation shall be increased more than 10 per centum by such transfers.

This title may be cited as the "Post Office Department Appropriation Act, 1949".

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or

is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided,* That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further,* That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further,* That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 302. This Act may be cited as the "Treasury and Post Office Departments Appropriation Act, 1949".

Passed the House of Representatives March 11, 1948.

Attest: JOHN ANDREWS,

Clerk.

Calendar No. 1438

80TH CONGRESS
2D SESSION

H. R. 5770

[Report No. 1389]

AN ACT

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes.

MARCH 12 (legislative day, FEBRUARY 2), 1948
Read twice and referred to the Committee on Appropriations

MAY 24 (legislative day, MAY 20), 1948
Reported with amendments

DIGEST OF CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 1, 1948
For actions of May 28, 1948
80th-2nd, No. 97

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HIGHLIGHTS: Senate confirmed Brannan nomination unanimously and without debate. Senate passed bill to continue certain emergency powers. Senate passed Treasury-Post Office appropriation bill. Senate agreed to conference report on bill to authorize rate agreements among railroads.

SENATE

1. NOMINATION. Confirmed the nomination of Charles F. Brannan to be Secretary of Agriculture, unanimously and without debate (p. 6873).

2. TREASURY-POST OFFICE APPROPRIATION BILL. Passed as reported this bill, H. R. 5770 (pp. 6861-73). Senate conferees were appointed (p. 6872).

3. EMERGENCY POWERS. Passed with amendments H. R. 6659, to extend certain provisions of the Decontrol Act of 1947. Substituted the language of S. 2746, as amended by an amendment by Sen. Gurney authorizing the Army to increase facilities for production of nitrogenous fertilizers to the extent of 50% of export requirements to nonoccupied areas. S. 2746 was indefinitely postponed in view of this action. (pp. 6849-58.) Senate conferees were appointed (p. 6858).

4. TRANSPORTATION. Agreed to the conference report on S. 110, to amend the ICC Act to authorize rate agreements between carriers (pp. 6819-46). This bill will now be sent to the President.

5. PERSONNEL. Both Houses agreed to the conference report on S. 1486, to provide for payment of salaries covering periods of separation from Government service in the case of persons improperly removed from such service (pp. 6858-9, 6878). This bill will now be sent to the President.

Agreed to the conference report on H. R. 4236, to amend the Civil Service Act to remove certain discrimination with respect to appointment of physically handicapped persons (p. 6859). The House has not acted on the conference report.

6. HOUSING. The Banking and Currency Committee reported H. Con. Res. 197, to continue the Joint Committee on Housing. Sen. Cain, Wash., asked for immediate consideration, but Sen. Ellender, La., objected.(p. 6873.)

7. RECLAMATION. At the request of Sen. Connally, Tex., reconsidered and placed on the calendar H. R. 3834, to authorize the project for rehabilitation of certain works of the Fort Sumner irrigation district, N. Mex. (p. 6873).

8. PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendment H. R. 3628, to revise the method of issuing patents for public lands (S. Rept. 1428)(p. 6847).

9. FOREST LANDS. The Interior and Insular Affairs reported without amendment S. 2617, to include certain lands in the Carson National Forest, N. Mex.(S. Rept. 1426)(p. 6847).

10. CENSUS. The Post Office and Civil Service Committee reported without amendment S. 2319, to provide for a survey of physically handicapped citizens (S. Rept. 1434)(p. 6847).

11. GOVERNMENT CORPORATIONS APPROPRIATION BILL. The Appropriations Committee concluded hearings on this bill, H. R. 6481 (p. D556).

12. PRICE SUPPORTS. Sen. Brewster, Me., inserted a resolution from various citizens favoring price supports for potatoes after Dec. 31, 1948 (p. 6847).

13. OLEOMARGARINE TAXES. Sen. Butler, Nebr., submitted amendments which he intends to propose to H. R. 2245, to repeal oleo taxes (p. 6847).

14. ADJOURNED until Tues., June 1 (p. 6874). The calendar is to be read at that time, followed by the displaced-persons bill and the selective-service bill (p. D560).

HOUSE

15. CENSUS. Passed, with the language of H.R. 6208 inserted as an amendment, S.554, to provide for rescheduling of the censuses of manufacturers, business, and mineral industries, and to provide for the taking of a census of transportation (pp. 6878-86).

16. HEALTH. Passed, with the language of H.J.Res. 409 inserted as an amendment, S.J. Res. 98, to provide for membership and participation by the U.S. in the World Health Organization (pp. 6911-6).

17. FOREST LANDS. The Public Lands Committee reported with amendments S. 1037, to add certain public and private lands to the Caribou National Forest, Idaho (H. Rept. 2081) (p. 6927).

18. PURCHASING. The Judiciary Committee reported with amendments H.R. 4659, to ratify and confirm amendments to certain contracts for the furnishing of petroleum products to the U.S. (H.Rept.2077) (p. 6927).

19. MINERALS. The Agriculture Committee reported with an amendment H.R. 5048, to direct the USDA to convey to present owners of the surface lands, mineral rights acquired from the Missouri Defense Relocation Corporation (H.Rept. 2084)(p.6927).

The Agriculture Committee reported with an amendment H.R. 5263, to permit USDA to execute and deliver to present owners of certain lands acquired by the

pleased we have the record straight on a matter that is and should be of intense interest of course not only to every Member of Congress but to every citizen of the United States.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MAY 24, 1948.

Hon. J. EDGAR HOOVER,
Federal Bureau of Investigation,
Washington, D. C.

DEAR MR. HOOVER: On Thursday last, debate was had upon the question of overriding the Presidential veto of S. 1004.

Senator KNOWLAND'S proposal contemplated the right of the Senate members of the Joint Atomic Energy Committee to direct the Director of the Federal Bureau of Investigation to make investigations of the candidates nominated by the President for membership on the Atomic Energy Commission. Said investigative reports would be sent to the Senate members of the joint committee.

During the course of the debate, there was a suggestion made that the FBI "maintains files on prominent citizens," which, of course, would include Members of the Congress. This suggestion seemed to raise considerable discussion and evidence of disapproval. I do not believe that your organization engages in any such practice. It might be well, however, for the record to be cleared in this respect, and I would be obliged to you, therefore, if you would give me an authoritative answer on the subject.

Sincerely yours,

BRIEN MCMAHON,
United States Senator.

FEDERAL BUREAU OF INVESTIGATION,
UNITED STATES DEPARTMENT OF JUSTICE,
Washington, D. C., May 27, 1948.

Hon. BRIEN MCMAHON,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: I wish to acknowledge the receipt of your letter dated May 24, 1948, in which you refer to the debate on the floor of the Senate last Thursday dealing with the question of overriding the Presidential veto of Senate bill 1004.

You inquire whether the Federal Bureau of Investigation maintains files on prominent citizens, which, of course, would include Members of the Congress. In response to your inquiry I wish to categorically state that this Bureau does not maintain files on prominent citizens or on Members of Congress as such. The FBI does not maintain an investigative file on an individual unless a complaint has been received alleging a violation of a Federal law or involving an investigative matter which comes within the jurisdiction of this Bureau. If, in the course of an investigation, information is received concerning an individual who is not the subject of the investigation, such information, of course, is maintained in our files. However, I can assure you that the statement that the FBI maintains files on prominent citizens is not correct.

With kind personal regards,

Sincerely yours,

J. EDGAR HOOVER.

Mr. HATCH. Mr. President, I should like to mention the matter which has just been brought up by the Senator from Connecticut. It happened in the course of the debate to which he referred, that I used language about as follows: "I was shocked yesterday to learn—by what authority I do not know—that if any free-born American happens to achieve a position of importance, his record is investigated and a file kept on that citizen in the FBI."

Mr. President, I did use those words, but I did not make the statement that the FBI kept such a file. It was made by another Senator, and it probably was merely a surmise on his part. But I did say, and I repeat, that it would be, indeed, most shocking if a citizen of this country should be the subject of investigation by the FBI simply because he happened to achieve some degree of prominence or some position of importance.

So, Mr. President, I was quite happy and pleased yesterday to receive a letter from Mr. Hoover on this exact question. I want to read what Mr. Hoover said, so that it may appear in the RECORD:

The statement regarding the maintenance of files on individuals of prominence is not factually correct. Certainly, the FBI does not develop an investigative file unless a complaint has been received alleging a violation of a Federal law or presenting an investigative matter that comes within our basic jurisdiction.

I close the quotation there, Mr. President, to say that the policy which Mr. Hoover says is followed is exactly the policy which I thought was followed by the Federal Bureau of Investigation. Certainly it should be followed. Of course when a complaint is made a file must be kept. Furthermore, Mr. President, Mr. Hoover makes this rather significant remark in his letter:

I thought you might be interested in knowing that the tremendous volume of new work assigned this Bureau has been assigned either by act of Congress or higher authority in the Government, and has not been sought or solicited by the Federal Bureau of Investigation.

Again, Mr. President, I want to commend Mr. Hoover for that attitude. I hope it will always be the policy of the Bureau not to assume powers it does not possess, and certainly not to solicit or seek duties or attempt to discharge duties except those which are granted and given by Congress or other authority.

I want, again, as I did the other day, to commend Mr. Hoover himself for the attitude he has taken on this and other matters, and for his very efficient administration of the Federal Bureau of Investigation.

I ask unanimous consent that the entire letter be printed in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL BUREAU OF INVESTIGATION,
UNITED STATES DEPARTMENT OF JUSTICE,
Washington, D. C., May 27, 1948.

Hon. CARL A. HATCH,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: In view of the comments made on the floor of the Senate last Thursday and Friday in connection with the President's veto message, numerous individuals have called my attention to various comments that were made on May 21, particularly your comments wherein you stated, "But I was shocked yesterday to learn that, by what authority I do not know, if any free-born American happens to achieve a position of importance his record is investigated and a file kept on that citizen in the FBI."

The statement regarding the maintenance of files on individuals of prominence is not factually correct. Certainly, the FBI does not develop an investigative file unless a complaint has been received alleging a violation of a Federal law or presenting an investigative matter that comes within our basic jurisdiction.

While as a matter of policy, I do not inject myself into matters pertaining to legislation, I thought you might be interested in knowing that the tremendous volume of new work assigned this Bureau has been assigned either by act of Congress or higher authority in the Government and has not been sought or solicited by the Federal Bureau of Investigation. I frankly think it is most unfair to convey a contrary impression just as I think it is most unfair to convey the impression that the Federal Bureau of Investigation maintains files on individuals just because they are prominent. I appreciate your kindly references to the Federal Bureau of Investigation under my administration. I did think, however, you would want to have the facts pertaining to these specific matters referred to above.

With expressions of my highest esteem and best regards,

Sincerely yours,

J. EDGAR HOOVER.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS

Mr. WHERRY. Mr. President, I now ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of the bill, H. R. 5770, making appropriations for the Treasury and Post Office Departments.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill, H. R. 5770, making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes.

Mr. CORDON. Mr. President, the amount provided in the bill now before the Senate was increased by the Senate committee $28,878,850. The amount provided for as the bill passed the House was $1,981,722,350. The amount as reported to the Senate is $2,010,601,200.

The bill does not include funds for the Coast Guard, the Bureau of Customs, for the acquisition of strategic and critical materials, or the refunding of internal-revenue collections. Those items will be carried in a subsequent bill and will be in the neighborhood of two-and-a-half billion dollars.

The amount of the regular and supplemental estimates for 1949, for the items contained in the pending bill, is $2,044,949,200.

The amount of appropriations for 1948 is $1,919,611,950.

The bill, as reported to the Senate, exceeds the appropriation for 1948 by $90,989,250, and is under the estimates for 1949 by $34,348,000.

Mr. President, the report contains but a short statement with reference to the several appropriation items. I hope the Members of the Senate will take the time to read the first five pages of the report with particular care. The report refers to the present terrifically high deficit in the Post Office Department, suggests that that deficit can be reduced if the Postmaster General will fix the appropriate parcel-post rates as now provided for in the existing law, and recommends that the appropriate legislative committee make a careful study of the whole problem of the carrying of the mails with the

view to reducing materially, if not eliminating, the terrific postal deficit.

The report also calls attention to what is termed the air-mail subsidy, a stratagem by which a subsidy is paid to the commercial air lines to make up the operating deficit of those lines, from whatever source it may occur, charging that amount as a deficit to the Post Office Department.

Mr. President, that matter is referred to in a report on the House side, and that report is cited and quoted from in the report now before the Senate. I commend this matter to the attention of every Senator. I believe it is something which is more important than we realize.

Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the amendments of the committee be first considered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the clerk will proceed to state the amendments of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Treasury Department—Division of Tax Research," on page 3, line 12, after "District of Columbia", to strike out "$110,000" and insert "$141,400."

The amendment was agreed to.

The next amendment was, under the subhead "Office of General Counsel," on page 3, line 15, after "District of Columbia", to strike out "$225,000" and insert "$250,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of the Public Debt," on page 8, line 2, after the word "exceed", to strike out "$3,750,000" and insert "$4,658,100"; and in line 3, after the word "bonds", to strike out "$51,500,000" and insert "$52,408,100."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Internal Revenue," on page 10, line 17, after the word "services", to strike out "$168,736,000" and insert "$179,266,000."

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, I wish to make objection to the amendment just agreed to, and I ask the Senator from Oregon whether he would prefer to have the amendment passed over and the other amendments of the committee acted on, or have me make my remarks at this time.

Mr. CORDON. I should be happy if the other amendments might be acted on first.

The PRESIDENT pro tempore. The amendment already having been agreed to, it will be necessary to reconsider the vote by which it was agreed to. Is there objection? The Chair hears none, and the vote is reconsidered and the amendment will be passed over. The clerk will state the next amendment of the Committee on Appropriations.

The next amendment was, under the subhead "Bureau of Internal Revenue," in line 18, after the word "exceed", to strike out "$16,000,000" and insert "$16,530,000"; in line 20, after the word "services", to strike out "$18,000,000" and insert "$21,166,000"; in line 22, after the word "exceed", to strike out "$2,400,000" and insert "$2,576,500"; in line 23, after the word "exceed", to strike out "$1,400,000" and insert "$1,500,000"; in line 24, after the word "exceed", to strike out "$100,000" and insert "$500,000"; and on page 11, line 3, after the word "expenses", to strike out "$186,746,000" and insert "$200,432,000: *Provided*, That not to exceed $150,000 of the amount appropriated under this head for the fiscal year 1949 shall be available for expenses by contract or otherwise, of such management and operational studies as are necessary in the Bureau of Internal Revenue."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Engraving and Printing," on page 13, line 15, after the figures "$15,000", to strike out "$12,000,000" and insert "$12,830,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Federal Supply," on page 17, line 24, after the word "field", to strike out "$1,275,000" and insert "$1,310 000."

The amendment was agreed to.

The next amendment was, on page 22, line 11, after the word "determine", to strike out "In the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters of special type out of stock on hand he may purchase such manually operated machines at the average list price of the industry less 30 percent out of funds specifically appropriated for that purpose" and insert "In the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters out of stock on hand, he may purchase, out of funds specifically appropriated for that purpose, such machines at the lowest published retail list price for any such typewriters offered for sale to the Federal Government less 30 percent, plus the amount of Federal excise tax applicable to the lowest published retail list price."

The amendment was agreed to.

The next amendment was, on page 23, after line 20, to insert:

General supply fund, Bureau of Federal Supply: To increase the general supply fund established by the act approved February 27, 1929, as amended (41 U. S. C. 7c), $3,000,000.

The amendment was agreed to.

The next amendment was, on page 24, line 8, after the word "materials", to strike out "$150,000" and insert "$170,000."

The amendment was agreed to.

The next amendment was, under the heading "Title II—Post Office Department—Salaries in Bureaus and Offices," on page 25, line 18, after "Office of the Second Assistant Postmaster General", to strike out "$928,000" and insert "$968,000."

The amendment was agreed to.

The next amendment was, on page 25, line 22, after "Office of the Fourth Assistant Postmaster General", to strike out "$752,000" and insert "$823,000."

The amendment was agreed to.

The next amendment was, on page 26, line 2, after "Bureau of Accounts", to strike out "$485,000" and insert "$525,000."

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses, Post Office Department," on page 26, line 8, after the figures "$2,100", to strike out "$160,000" and insert "$184,300."

The amendment was agreed to.

The next amendment was, on page 26, line 11, after the words "and Postal Service", to strike out "$2,000,000" and insert "$2,228,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the First Assistant Postmaster General," on page 29, line 21, after the word "offices", to strike out "$12,500,000" and insert "$12,700,000."

The amendment was agreed to.

The next amendment was, on page 31, line 4, after the word "bicycles", to strike out "$2,800,000" and insert "$3,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Second Assistant Postmaster General," on page 32, line 22, after the word "aircraft", to strike out "$23,842,000, including not to exceed $79,200 to cover the cost to the United States for maintaining sea-post service on ocean steamships conveying mails to and from the United States" and insert "$23,762,800."

The amendment was agreed to.

The next amendment was, on page 34, line 4, after the word "years", to strike out "$15,000" and insert "$20,000."

The amendment was agreed to.

The next amendment was, on page 34, line 6, after the word "law", to strike out "$19,500,000" and insert "$26,583,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Fourth Assistant Postmaster General," on page 35, line 11, after the word "expenses", to strike out "$7,158,000" and insert "$8,158,000"; in line 13, after the word "devices", to strike out "and of which $100,000 shall be available exclusively for mechanizing devices for separation of mails" and insert "and of which $50,000 shall be available exclusively for mechanizing devices for separation of mails, and $50,000 shall be available exclusively for the necessary research, and for the design, manufacture, and installation of pilot mail-sorting equipment, as recommended on page 73 of House Report No. 1656, Eightieth Congress, second session, and for the necessary supervision of the installation and operation of such equipment" and in line 24, after the word "maps", to strike out "or blueprints."

The amendment was agreed to.

The next amendment was, on page 36, line 7, after "(5 U. S. C. 150)", to strike out "$12,800,000" and insert "$12,907,250."

The amendment was agreed to.

The next amendment was, on page 36, line 18, after the word "offices", to strike out "$14,500,000" and insert "$15,000,000."

The amendment was agreed to.

The next amendment was, on page 37, line 19, after the word "service", to

strike out "$42,000,000" and insert "$42,914,000."

The amendment was agreed to.

The next amendment was, on page 40, after line 10, to insert:

Not to exceed 5 percent of any appropriation for the Field Service, Post Office Department, may be transferred, with the approval of the Director of the Bureau of the Budget, to any other appropriation or appropriations under the same Service, but no appropriation shall be increased more than 10 percent by such transfers.

The amendment was agreed to.

The PRESIDENT pro tempore. That terminates the amendments of the committee, except the one passed over, which the clerk will again state.

The CHIEF CLERK. Under the subhead "Bureau of Internal Revenue," on page 10, line 17, after the word "Services", it is proposed to strike out "$168,736,000" and insert "$179,266,000."

Mr. WILLIAMS. Mr. President, in the pending appropriation bill, H. R. 5770, which covers the appropriations for both the Treasury and Post Office Departments, we find that in the amendment now pending the committee has provided that an additional sum of $10,000,000 be granted to the Bureau of Internal Revenue for the purpose of hiring additional personnel as requested by the Treasury Department.

This authorization is justified by the committee upon the assumption that the more revenue agents the Treasury Department has, the more in the way of taxes will be collected, assuming, of course, that all taxpayers are dishonest, and only properly pay their taxes when forced to do so.

I recognize the necessity of the Treasury Department's having a sufficient number of auditors to supervise tax collections, but it is not necessary that they should require a staff of sufficient size to audit every individual tax return. Equally as good results could be accomplished if the Treasury Department would use a spot-check system for auditing taxpayers at irregular intervals, making a thorough audit in the cases of those who were found to be questionable.

Under the present system the Treasury Department is operating upon the principle that once a taxpayer's return has been placed on their audit list, it is never removed, but requires an annual audit, even though that particular taxpayer might have always have been found to be right. By the same principle other taxpayers whose names might not have been placed on this list, would never be audited. I am confident that a spot-check audit as I have suggested would be much cheaper and more effective than the system under which they are now operating.

Another serious criticism which I have of this proposal to enlarge their enforcement division for a more extensive auditing of the taxpayers is that I feel that if Congress wants to appropriate this money and employ these additional auditors, their services could best be utilized in the interests of our country by assigning them to the long-neglected duties of auditing some of the Government agencies themselves.

This suggestion would apply in particular to that division of the Treasury Department which is here today requesting these additional employees. This Department collects billions of dollars annually from the American taxpayers, and it is highly essential that all the officials and agents be men of the highest caliber because the ultimate degree of success which the Government will have in the collection of taxes will be measured not by the number of revenue agents in the field but rather by the respect which the collector's office has with the taxpayers.

At this point I should like to emphasize that I think it is true that the majority of the employees of this Department do command the respect of the taxpayers, and the employees as a whole should not be criticized or judged by the fact that a few employeed are found to be dishonest, any more than it is fair to say that the American taxpayers as a whole try to evade their income taxes just because it is shown by the Department's records that a small number of taxpayers are guilty.

I am going to present here today in the RECORD evidence which will prove conclusively that the collector of internal revenue in the Wilmington district of my own State was advised that the cashier in his office was embezzling Government funds and that instead of reporting this embezzlement to his superiors and suspending the employee, he deliberately conspired with his assistant to conceal the evidence for nearly a year, during which time the embezzlement was continuing, and finally when it could no longer be concealed, he even then proposed to the Treasury Department's investigator that the matter be hushed up.

I shall also place in the RECORD a portion of a report made to the Treasury Department here in Washington by one of its own auditors under date of October 31, 1946, in which it was pointed out by the auditing agent in charge at that time that the books of the Wilmington office were in a deplorable condition. This report was made nearly a year before the embezzlement itself was disclosed, and yet there is absolutely no record anywhere that I can find which indicates that any attention at all was paid to this report either by the Wilmington office or the Treasury Department officials here in Washington.

Only after I exposed this scandal on the floor of the Senate last December did the cashier of the Wilmington office plead guilty, and he was sentenced to a term of 4 years, but again there was no action whatever taken by the Treasury Department here in Washington to discipline the collector of internal revenue nor the assistant collector, both of whom admittedly concealed this evidence from the proper authorities for a period of nearly a year. Both of these men are still holding their same positions of authority in our State, and I can say that as long as these men, who deliberately conspired to conceal this fraud, are in charge of the collection of taxes in our State, it will take more than an additional quota of revenue agents to restore our confidence in the Department.

Furthermore, the failure of the Treasury Department to take proper action to discipline the parties involved is very unfair to the other employees in that office, all of whom at present are being looked upon with suspicion.

I shall now present for the RECORD the facts, in chronological order, as far as I have been able to determine them as to what happened in the Wilmington office during the past few years.

September 17, 1946: In letters dated September 17, 1946, and October 26, 1946, nearly a year before the case was disclosed, the collector of internal revenue in the Wilmington office, Mr. Norman Collison, was notified by a taxpayer, Mr. Charles Ingersoll Gause, of Greenville, Del., to the effect that Mr. Gause's accounts had not been properly credited. Later developments disclosed that this taxpayer's accounts were among those involved in the embezzlement, yet no action was taken other than to readjust the accounts.

October 31, 1946: A report dated October 31, 1946, filed with the Treasury Department in Washington and signed by Mr. J. E. McNamee, supervisor in charge of the investigation, contained the certain comments on the mismanagement in the Wilmington office, and called the Treasury Department's attention to the fact that the books were in a deplorable condition; yet the Treasury Department did absolutely nothing about it. I read a portion of that report, as follows:

The supervisor in charge was informed of these errors and he directed the supervisors making the examination of the cashier to arrange a conference with the collector, his assistant, and the cashier in order that the collector might be properly and fully informed of the loose management, carelessness, and errors prevalent in the cashier's division. In spite of Mr. Flynn's protestations to the contrary, it was evident beyond any doubt and so viewed by the collector, that the regulations pertaining to accurate daily and monthly verification of stamp balances have been completely neglected. In the absence of any kind of a record or worksheet reflecting settlement of the cash drawer, it could only be concluded that the same carelessness and neglect attended the reconciliation of cash receipts. It was pointed out to the collector that the length of time these discrepancies in the stamp accounts have been permitted to exist belied any claim by the cashier that he has actually counted and rectified the stamps on hand even as rarely as once a month and Mr. Flynn's signature to the monthly Form 68 constituted a falsification of facts and figures. The excess in opium order forms, resulting from attempted correction of a shortage that did not exist, showed carelessness in making a count of stamps, failure to truthfully record the corrective action as such instead of as an ordinary sale, and most important of all, either complete ignorance of or indifference to the vital regulatory nature of the various narcotic taxes. The overage of one $100 coin-operated gaming-device stamp was the most flagrant error of all since the cashier willfully attempted to hide the excess stamp from observation by examining officers while, at the same time, he had made no attempt whatsoever to ascertain the cause of the excess.

Although the collector expressed firm belief in Mr. Flynn's personal honesty, he acknowledged that this situation could easily arouse suspicion of other irregularitics that could not be as readily discovered. It was also noted that the undeniable laxity

of the cashier constituted a possible temptation to observing employees.

The report is dated nearly 1 year before the case was disclosed. Yet the Treasury Department took no action at all to rectify the situation. The Department was being informed by this report that the books in the Wilmington office were not in balance, but were in such deplorable condition that the agent recommended that some action be taken immediately. Yet no action was taken.

Mr. President, a complete account of the above-described conference can be found in the report filed with the Treasury Department here in Washington under the date of October 31, 1946, and there was no action taken by the Treasury Department to correct the situation.

On November 15, 1946, Mrs. Louise M. Biscoe, a clerk in the office of the same cashier who was criticized in the above report, uncovered evidence which convinced her at that time that Mr. Flynn was guilty of embezzling funds in that office. On that date she set forth her accusations in a written statement giving the names and account numbers of four taxpayers whose accounts had been tampered with, and outlined in detail the manner in which the manipulations had been engineered. On November 15, after reducing this report to written form, Mrs. Biscoe, accompanied by the assistant cashier and her immediate supervisor, Mr. J. Edwin Lewis, presented this charge to Mr. Thomas Ainsworth, the assistant collector.

On that date, Mr. Norman Collison, the collector, was out of town, but Mr. Collison readily admitted that the report was brought to his attention by Mr. Ainsworth on the following workday.

At this time I ask unanimous consent to have inserted in the RECORD as a part of my remarks a copy of the written statement prepared by Mrs. Louise M. Biscoe and filed with the collector on November 15, 1946.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Henry P. Scott 3d claimed three payments were made on 1946 ES–107526. Only one payment was credited. He is holding check amount $459.57, canceled March 8, 1946. The only check I found on this date is on miscellaneous tax. Advised him to stop payment on his September check, which he did and mailed another check October 24, 1946. Cash payment put in to be credited to his account on October 18, 1946.

Thomas Davis claimed he is holding canceled check for $2,600 for last two quarters of 1945 ES account No. 107669; canceled September 14, 1945.

At the time could not find this check on yellow sheets, but found one for that amount later, written in pencil.

The bill, No. 525600, put in May 13, 1946, consists of three checks. (See next page attached.)

Thomas Davis' check for $2,600, September 14, 1945, seems to be a part of payment on EP & Corp. income for Silas Mason Co., whose total payment, $23,269.61, was due August 15, 1945. Returns are on September list, payments deposited September 14, 1945, S–400014, S–410034, check for $23,269.61 on August 22, 1945, is on miscellaneous tax. Am waiting to hear from Wilmington Trust Co. regarding this August 22 check.

Henry Davis, first quarter 1946 ES, account No. 107596. Has canceled check for $5,000, March 28, 1946. (Only check for $5,000.) I found on that date, page total $41,800.77, belongs to Henry Davis (according to photo records of the Wilmington Trust Co., but is applied against account No. 102,269, 1945 ES of Alfred E. Bissel. I asked Mr. Brown to transfer this and it has been done. November 11, 1946. (Perhaps I should not have had it transferred.)

Charles I. Gause, 1946 ES account 104243 (second quarter) holding canceled check for $500, June 19, 1946, which is not on his account. Found a bill in my writing with deposit date (receiving date June 15, 1946), July 15, 1946 for $500 applied to the account of Vera Lindsay, No. 107668. The odd thing about this Vera Lindsay account is that another payment is dated June 19, 1946, and she does not have a canceled check for that date. She has checks showing the following dates ($500 each), February 28, 1946, July 15, 1946, and September 20, 1946.

Mr. WILLIAMS. Mr. President, it is interesting to note that the memorandum filed by Mrs. Biscoe also contained information that the account of Mr. Charles Ingersoll Gause, account No. 104243, had been manipulated. Mr. Gause is the same taxpayer to whom I have previously referred as having written Mr. Collison direct regarding his account.

The subsequent investigation of this case confirmed every item of Mrs. Biscoe's report. Again no action whatever was taken on this report.

December 1946: During the early part of December 1946 the auditors of the Treasury Department went to the Wilmington office to make a routine audit, which was not completed until around January 10, 1947. During this interval—3 weeks—in which the Treasury Department's auditors were in the Wilmington office, both the collector, Mr. Collison, and his assistant, Mr. Ainsworth, concealed from these auditors the fact that they had in their possession at that time written evidence filed by one of their own employees, showing embezzlement. The auditors failed to discover the shortage at that time. Mr. Collison's excuse for not disclosing this evidence to the examiners was that, and I am quoting from Mr. Collison's testimony before our committee on March 31, 1948, "My suspicion wasn't raised. There was nothing to notify them about." He made this statement notwithstanding the fact that at that time he had in his possession a written document filing a complaint of embezzlement in the office against the cashier. He permitted the examiners to come in and make a routine examination and go out, but made no report whatever to them on this subject.

January 20, 1947: Mr. Collison, in his testimony before our committee on March 31, 1948, when confronted with the question as to why he had failed to report his knowledge of this embezzlement to the proper authorities, made the following explanation, and I quote a portion of that testimony:

Mr. COLLISON. Why should I report anybody until I found out? I wouldn't accuse a man of being dishonest until I knew he was dishonest.

The CHAIRMAN. I am not questioning your accusations against the man, but I am just wondering why you did not report it?

Mr. COLLISON. I had been reporting for some time—there were perhaps 500 different accounts that he had kited on.

The CHAIRMAN. Did you know of other accounts that had been kited besides mine at that time?

Mr. COLLISON. There were a number of them.

The CHAIRMAN. You knew of a number of others?

Mr. COLLISON. I did when I began checking.

The CHAIRMAN. When was that?

Mr. COLLISON. Somewhere in the neighborhood of the 20th of January.

Here again we have an admission by Mr. Collison that he was well aware of the fact as early as the latter part of January in 1947 that the cashier, Mr. Flynn, was manipulating the accounts of many of the taxpayers of our State. Still he took no action whatsoever to correct the situation and allowed Mr. Flynn to retain his same position.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. KEM. When did Mr. Collison say that his suspicions had been aroused?

Mr. WILLIAMS. Apparently Mr. Collison's suspicions never became aroused until May 28, 1947. On May 28, 1947, Mr. Collison uncovered further evidence that there was a shortage in the stamp account of that office amounting to more than $8,000. On that particular occasion, I think the reason it was called to his attention and he really became suspicious was that a taxpayer went into the office to straighten it out, and insisted on it being straightened out on that occasion.

Mr. KEM. Did he have evidence of some 500 irregularities?

Mr. WILLIAMS. I am reading his own testimony. He said that there were perhaps 500 different accounts with respect to which there had been "kiting." He said that it was in the neighborhood of January 20 when he found it out.

Mr. KEM. And was not that sufficient to arouse his suspicions?

Mr. WILLIAMS. Apparently not, even in the face of all the other evidence. He also had in his possession a written memorandum of complaint filed by one of the clerks in that office, outlining different taxpayers' accounts as having been tampered with and still maintained that he was not even suspicious. The written memorandum gave in detail the account numbers and the dates of the checks. It shows to whose accounts the checks were credited, and why they were so credited; and every detail is borne out as being accurate during subsequent investigation.

Mr. KEM. Is this man Collison still in office, charged with the responsibility of collecting public revenue in that district?

Mr. WILLIAMS. He is still in office; and, as I shall point out later, the efficiency ratings of Mr. Collison and the assistant who did this job have even been raised. His salary has been increased, and he has been promoted right up the line. I suppose he is regarded as one of the most efficient operators in the Department.

Mr. KEM. He is still in office?

Mr. WILLIAMS. He is still in office.

On May 28, 1947, Mr. Collison uncovered further evidence that there was a shortage in the stamp accounts of that

office amounting to over $8,000, and realizing, apparently, that he could no longer cover up, for the first time notified Mr. J. E. McNamee, the supervisor of accounts for that area, who immediately went to Wilmington and started an investigation. Even on that date, according to Mr. McNamee's report, which he filed with the Treasury Department in Washington, Mr. Norman Collison, the collector, was still trying to protect the cashier and on that occasion told Mr. McNamee, the chief investigator, that he was sure that the maximum shortage would not exceed $7,800 and suggested that arrangements could be made with the cashier for the restitution of this amount and asked Mr. McNamee if he would accept this arrangement and forget the incident. Mr. McNamee refused and insisted upon immediate action being taken, which was done. In his report to Mr. Paul A. Hankins, the Deputy Commissioner of Internal Revenue in Washington, D. C., under date of November 13, 1947, Mr. McNamee severely criticized both Mr. Collison and his assistant for their attempts to withhold this information from the authorities. I quote his statement from that report:

The effort of the collector and assistant collector to hide or hush up this affair has been, to my way of thinking, presumptuous, to say the least.

Mr. McNamee pointed out in that report that about $3,000 of the taxpayers' money had been embezzled during the interval in which the cashier was allowed to hold office after the embezzlement had been discovered. It was suggested that the collector and his assistant should both have to pay the money personally, instead of the bonding company.

An audit of the books in the Wilmington office disclosed that the accounts of more than 500 taxpayers had been manipulated and that many of these accounts were still marked delinquent—and many are today still so marked—notwithstanding the fact that they had been paid and the money misappropriated.

The shortage as reported by the Treasury Department is $30,433.98, of which amount $2,939.26 was embezzled during the period between November 1946 and May 1947. In other words, the cashier embezzled nearly $3,000 of the taxpayers' money after the collector had been notified of the discrepancies, during the period in which the cashier was operating, and the period during which the collector knew that he was embezzling funds.

At this point I ask unanimous consent to have inserted in the RECORD copies of both of these reports filed with the Treasury Department here in Washington under date of November 13, 1947, and signed by Mr. J. E. McNamee, Supervisor of Accounts and Collections in Charge setting forth the charges I have just made.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

PHILADELPHIA, PA., *November 13, 1947.*

Mr. PAUL A. HANKINS,
Deputy Commissioner, Accounts and Collections Unit, Internal Revenue Bureau, Washington, D. C.

MY DEAR MR. HANKINS: Transmitted herewith is report of the examination of the Office of Collector of Internal Revenue, Wilmington, Del., for the period July 2, 1940, to June 3, 1947, inclusive.

In this connection, it is well to note that during the period November 1946, when the collector was first notified by the assistant cashier of an apparent discrepancy in the accounts, the cashier, Mr. Flynn, was left in complete control of his duties by the collector and no satisfactory explanation has been forthcoming from the collector as to why this situation was allowed to exist.

The efforts of the collector and assistant collector to hide or hush up this affair has been, to my way of thinking, presumptious, to say the least. The fact that the assistant collector spent several months as a supervisor of accounts and collections prior to his present appointment should have instilled in him a certain esprit de corps which, I am sorry to say, is entirely lacking. He failed to acquaint the supervisors, or the Bureau, with his knowledge of this irregularity for 6 months after he found it out, during which period the cashier carried on his defalcations. As indicated by the report a total of $2,939.26 was embezzled during the period November 1946, to May 28, 1947.

This amount in my opinion, should be charged to the collector's and his assistant to be paid out of their personal funds.

Sincerely yours,

J. E. MCNAMEE,
Supervisor of Accounts and Collections in Charge.

PHILADELPHIA, PA., *November 13, 1947.*

Mr. PAUL A. HANKINS,
Deputy Commissioner, Accounts and Collections Unit, Internal Revenue Bureau, Washington, D. C.

MY DEAR MR. HANKINS: The following is a report of the examination of the office of collector of internal revenue, Wilmington, Del., for the period July 2, 1940, to June 3, 1947, inclusive.

On May 28, 1947, Mr. Norman Collison, collector of internal revenue, Wilmington, Del., called me and asked if I would come to his office that day. I arrived at the Wilmington office about noontime and was informed by the collector and his assistant, Mr. Ainsworth, that there was an apparent shortage in the snuff stamps in the Wilmington office. I immediately made a count of the internal-revenue stamps in the vault which revealed a shortage in snuff stamps of $8,572.50, which shortage still exists.

The cashier was called in and admitted this shortage. The collector then stated that the cashier was over about $700 in the cash account and that he (the cashier) was prepared to make good this evident shortage of $7,800 and insisted that this was the total amount of the shortage. He further asked if I would accept this arrangement and forget the incident. I replied that my only reaction was to notify the Bureau immediately and ask for the suspension of the cashier. The collector demurred to this, pointing out that Mr. Flynn was married and has two sons. Upon my insistence that the Bureau be notified, the collector asked if he could accompany me to the Bureau. I acquiesced and, because of previous engagements, the trip was put off to June 3, 1947. Later that day, I found other discrepancies totaling $22,500. The cashier was called to the collector's office and, when informed of these discrepancies, admitted same and said he could make full restitution if given 4 or 5 days. When asked why he did not admit these discrepancies during our first interview, he replied "my bosses did not open their mouth so why should I tell on myself."

Upon our visit to the Bureau on June 3, 1947, Mr. Flynn was suspended immediately.

On June 4, 1947, the supervisors instituted a day-by-day check of the cashier's records from June 3, 1947, back through January 1940, which revealed a gross shortage of $38,018.25. A duplicate credit in the amount of $7,500 to the 1944 estimated income tax account of Robert W. Rea under date of December 29, 1944 (which erroneous credit still stands), and various penalty and interest items totaling $84.27 credited to taxpayers on documents filed on time but journalized as delinquent, reduce the gross shortage to a net of $30,433.98.

The authorized destruction of various records, such as cashier's work sheets and cashier's journals, handicapped the supervisors investigation as it progressed. The destruction of the various order forms for stamps for 1940 and prior years made it impossible to identify purchasers of documentary and/or stock transfer stamps. "Orders for stamps—fermented malt liquor"—were reconstructed from brewery records.

On July 2, 1940, orders for documentary stamps and stock transfer stamps in the amount of $1,297.90 were journalized covered by misapplied checks. Since this was the entire balance of the shortage yet to be identified (except one check for $8.44 deposited April 17, 1943) and neither the names of the purchasers of the stamps nor whether the original transactions were by cash or check could be ascertained, and since the comparison of remittance registers and document registers back through January 1940, revealed no discrepancies in which misapplication of funds was apparently involved, it was decided that further efforts to identify the balances of $1,297.90 would be useless.

The defalcations set up a fairly regular pattern as revealed by the schedule of discrepancies in deposits. Documents showing taxes originally paid in cash were journalized under cover of other taxpayers' checks. Sometimes the penciled "cash" was partially erased. On bills such as Forms 17 or 19, an entirely new form was often prepared in pencil with no blue-pencil notation and no "received" stamp. A general laxness in the use of the "received" stamp in the office, particularly on orders for stamps, contributed to the situation. The documents from which checks had been taken were subsequently put through with still other taxpayers' checks. However, several times taxpayers' checks were used as described above and the document journalized later as a cash transaction. Cash was also used many times to cover the difference between misapplied checks and documents being journalized. On 17 occasions, Mr. Flynn used his personal checks for this purpose. These personal checks ranged in amounts from 32 cents to $153.16. These were verified by the records of the Farmers Bank & Trust Co., Wilmington, Del.

A study of "received" dates, when available, on cash documents, journalized under cover of checks indicated that unidentified cash deposited in the operations described in the preceding paragraph came from such documents and not from the cashier's personal funds.

Prior to 1946, the only document not journalized for which the check was deposited was a miscellaneous tax return, Form 727, in the amount of $8.91, filed by Walter Holliger. A check for $17.08 was forwarded by mail with Form 727 for May and June 1944. The check was deposited August 11, 1944, but only the Form 727 for June in the amount of $8.17 was abstracted. This discrepancy, as well as several small excess collections which were not credited to taxpayers, apparently resulted from adding "kited" documents and checks to the document registers and remittance registers respectively without having first balanced the registers.

In six different cases documents were altered to bring the document register into balance with remittance registers, to bring the stamp control into balance with the stamp inventory, or to bring the "kited" documents into exact agreement with the "kited" checks. With one exception these

were minor alterations. On June 26, 1942, however, the cash order of the Diamond State Brewery Co., for fermented malt liquor stamps in the amount of $780 was not journalized and a fictitious order for fermented malt liquor stamps in the amount of $180 was journalized in its stead. In addition, a fictitious order in the amount of $120 was journalized the same day. The two orders were in the same handwriting and neither the taxpayers' records nor bank statements reveal any such payments. The fictitious order of the Diamond State Brewery Co. differs from the taxpayer's copy only in that an order for four 25 barrel stamps at $150 each had been removed. The fictitious order in the name of the Delmarva Brewing Co. is for four 5 barrel stamps at $30 each. Apparently an inventory of fermented malt liquor stamps revealed an overage of four 25 barrel stamps and a shortage of four 5 barrel stamps and this device was utilized to bring the accounts into balance. It also apparently was used to embezzle $480. The Diamond State Brewery Co. was not aware that 5 barrel stamps had been delivered instead of 25 barrel stamps. The records of the Diamond State Brewery Co. indicated that a stamp order in the amount of $780 paid by cash, on that date, while the Delmarva Brewing Co. had no record of $120 on that date. Inasmuch as all orders of the Delmarva Brewing Co. were paid by check and this order for $120 was covered by cash, it is clearly evident that this order was fictitious.

In addition to checks for $8,572.50, $5,000, $500, and $8.91, mentioned heretofore, the related documents for which were never journalized, checks in the amounts of $15,000 and $7,500 were submitted by John J. Williams to cover 1946 estimated income taxes of himself and his wife respectively. These checks were deposited June 4, 1946, to cover the 1946 estimated income tax of Anthony P. Columbo and Rose M. in the amount of $2,500, and F. A. Wardenberg in the amount of $20,000. The documents with which Mr. Williams' checks were related have never been journalized.

On May 13, 1947, a check in the amount of $605.20 drawn by the Wilmington Country Club in payment of tax on admissions for April 1947, was deposited to cover orders on documentary stamps that are marked "cash." A duplicate return was filed by the taxpayer at the request of the collector's office and was assessed on the October 1947 special No. 1 list, account No. 53160, and is outstanding.

Six cash payments, the documents for which were never journalized, have been definitely established. More may come to light eventually. Howard A. Gifford holds a cash receipt, form 1, dated April 9, 1946, in the amount of $185.20 covering the balance of his 1945 income tax. There is no record of this payment in the collector's office. Four taxpayers have submitted affidavits of filing forms 11 with cash payments for various special tax stamps in total value of $159.50. The exact amount of the items claimed appear on the teller's cash sheet of the assistant cashier as payments for stamps and are included in the daily recapitulation of cash tallied as on hand at the close of business May 27, 1947, by the cashier. A comparison of the teller's stamp sheets which forms 11 and other stamp records, leaves these items unreconciled.

It had not been the custom of the cashier's office to give a receipt for cash payments for stamps which could not be issued immediately. Now, a form 1 receipt marked "in lieu of stamp to be issued" is given to taxpayers in all such cases.

In the schedule of discrepancies, under the heading "Net cash," there appears 91 items which represent payments by the cashier from his cash reserves. Seventeen of these items marked (*) are his personal checks; the balance are cash payments. These payments total $10,329.47. It was necessary for the cashier to deposit these amounts to balance the various days' work. It is entirely possible that part of these payments represent cash payments by taxpayers whose returns were destroyed and owing to the volume of unfinished work of checking the unmatched documents received from the Processing Division and the migration of many war workers, it will be impossible to complete this part of the investigation. It is also possible that additional discrepancies will be uncovered when the revenue agents check the 1945 and 1946 income tax returns (Bureau) and make comparison with the credit documents attached to the return with the amount of credit taken by the taxpayer on his return.

Sincerely yours,

J. E. McNAMEE,
Supervisor of Accounts and Collections in Charge.

Mr. WILLIAMS. All this evidence, of which the Treasury Department itself here in Washington was already aware, was reemphasized in a letter dated February 4, 1948, addressed to Mr. George J. Schoeneman, the Commissioner of Internal Revenue, Treasury Department, Washington, D. C. and signed by my colleague, Mr. BUCK, Representative BOGGS, and myself, at which time we requested that the Treasury Department remove from office the officials who were responsible for deliberately concealing this embezzlement. We insisted upon their removal from office because we felt that these men had betrayed the confidence of the people in their conspiracy to conceal this crime. We also requested that the taxpayers whose accounts had been manipulated should be properly notified and also suggested that action be taken immediately in order to restore in the minds of the taxpayers of our State, the confidence which they once had in the Wilmington office.

In reply to our letter under date of February 25, 1948, the Commissioner, Mr. George J. Schoeneman, acknowledged all of the charges which we had presented against both Mr. Collison and the assistant collector, but excused them by saying:

The Bureau considers that the matter under discussion was one which called for the exercise of judgment by the Collector. Whether his judgment was good or bad in the light of facts before him when suspicion arose is a matter upon which opinions may well differ. It now seems probable that if collector Collison had foreseen the outcome of this matter he might have acted differently.

By that last statement I presume he means that if he had known that Congres would find out about it, he would have acted a little differently. I do not know what else he meant.

He further stated:

To notify taxpayers whose accounts were brought into the orbit of these irregular transactions would tend only to disturb them needlessly.

I can safely say to Mr. Schoeneman that they are pretty much disturbed anyway, and notification of the facts in this case would not disturb them any further.

It was also pointed out in the Bureau's letter that the Collector is an official appointed by the President of the United States.

At this time I ask unanimous consent to have inserted in the RECORD as a part of my remarks a copy of the letter dated February 4, 1948, addressed to Mr. George J. Schoeneman and signed by the entire Delaware delegation in Congress; and I also ask unanimous consent to have inserted in the RECORD a copy of the reply which we received from Mr. Schoeneman dated February 25, 1948.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 4, 1948.

Mr. GEORGE J. SCHOENEMAN,
Commissioner, Bureau of Internal Revenue,
Washington, D. C.

DEAR MR. SCHOENEMAN: During the latter part of December 1947, we discussed with you the fact that the accounts of several hundred taxpayers in Delaware had erroneously been marked delinquent by responsible officials in the Wilmington office and that as of that date, there was evidence that over $30,000 of these funds had been embezzled. Since that time the cashier of the Wilmington office has pleaded guilty to this embezzlement and has been sentenced in the Federal court.

During our discussions last December we called to your attention the fact that an exceptionally large number of special agents had been assigned to that area to investigate the taxpayers. We are not asking that the taxpayers of our State be exempt from the routine audit of your Bureau, but we do think that it is very unfair that they be subjected to the tactics now being used by your agents and at the same time be denied the knowledge that the reason for this rigid examination is that their accounts have been manipulated and some of their payments embezzled by someone in the collector's office.

Since this situation developed in our State, we have been receiving numerous requests from various taxpayers, asking if their accounts were involved. Many of these taxpayers have been receiving bills for unpaid taxes for which they have receipts. It is our opinion that the most important contribution which can be made at this time to restore the confidence of the Delaware citizens in the Revenue Department is to convince them that this case has been fully exposed; therefore, we are today placing in the CONGRESSIONAL RECORD and asking the newspapers in our State to publish a complete list of those taxpayers whose accounts are known to have been tampered with as well as a copy of Mr. McNamee's report of November 13, 1947, addressed to your department, in which he made the folowing statement:

"In this connection, it is well to note that during the period November 1946, when the collector was first notified by the assistant cashier of an apparent discrepancy in the accounts, the cashier, Mr. Flynn, was left in complete control of his duties by the collector and no satisfactory explanation has been forthcoming from the collector as to why this situation was allowed to exist.

"The efforts of the collector and assistant collector to hide or hush up this affair has been, to my way of thinking, presumptuous, to say the least. The fact that the assistant collector spent several months as a supervisor of accounts and collections prior to his present appointment should have instilled in him a certain esprit de corps which, I am sorry to say, is entirely lacking. He failed to acquaint the supervisors, or the Bureau, with his knowledge of this irregularity for 6 months after he found it out, during which period the cashier carried on his defalcations. As indicated by the report

a total of $2,939.26 was embezzled during the period November 1946, to May 28, 1947.

"This amount, in my opinion, should be charged to the collector's and his assistant to be paid out of their personal funds."

Further proof that these two officials were making an effort to conceal these discrepancies in their office is borne out by evidence recently obtained by us, which shows that a written memorandum was delivered on November 15, 1946, to the assistant collector, Mr. Ainsworth, outlining certain manipulations by the cashier. We find that a routine audit was made of this agency during the month of December following this written notice, at which time both the collector and the assistant collector failed to call the written memorandum to the attention of the auditors.

An examination of various reports made by the chief investigator for that area discloses that serious criticism has been made on numerous occasions by the investigator, charging that the records and the bookkeeping system of the office in general were in a state of confusion. They also criticized the looseness of the Department's handling of cash items, and even insisted upon a new system being set up.

We have reviewed these critical reports by your own investigators, charging these men with an attempt to conceal and protect the guilty parties in addition to the many charges of inefficiency, and as representatives of the citizens and taxpayers of that State, we feel obligated to call on your department for an explanation as to why the investigation in the Wilmington office has suddenly been called off. In your reply we want you to explain to us not only why these officials were left in charge of the office but also why it was that you designated these same men for a special promotion and an increase in salary.

We realize that the total amount of this embezzlement cannot be established until such time as all of the accounts in that office prior to July 1947 have been audited, and we are wholly in accord with your thought that this audit should be made as soon as possible, but we do think that there are three essential points being overlooked in your effort to clear up this situation:

1. You should immediately suspend every employee in that office involved in any manner, either through participation in the embezzlement or through negligence in reporting the situation which they knew to exist to the proper authorities. This should be done immediately in order to restore in the minds of the taxpayers the confidence which they once had for your office.

2. We think that you should immediately notify each taxpayer in the State whose accounts have been tampered with in any manner, giving to that individual all the details and enlisting his support in assisting your office to obtain a true picture of the facts.

3. We think that a thorough audit should be made of the Wilmington office, and if necessary to expedite this, we suggest that you utilize the services of some of the special agents now assigned to that area who have been devoting their time in auditing the taxpayers.

The evidence now on file in your office against both the collector and the assistant collector is of a rather serious nature and is something which we feel cannot be overlooked.

Yours sincerely,

C. DOUGLASS BUCK,
JOHN J. WILIAMS,
Congressman J. CALEB BOGGS.

TREASURY DEPARTMENT,
Washington, February 25, 1948.

Hon. JOHN J. WILLIAMS,
United States Senate.

MY DEAR MR. SENATOR: Reference is made to a communication dated February 4, 1948, signed by yourself and by Senator BUCK and Congressman BOGGS relative to the Office of the Collector of Internal Revenue for the District of Delaware. Particular reference is made to a defalcation on the part of the former cashier of that office as well as to circumstances connected with or relating to the discovery of the defalcation.

I am greatly perplexed by the statement that an exceptionally large number of special agents have been assigned to the district of Delaware to investigate the taxpayers. The only investigations of returns of taxpayers that are being conducted in the district of Delaware by the internal-revenue service are those which are being made by the personnel regularly assigned to that territory.

The third paragraph of your communication states that you have been receiving numerous requests from various taxpayers, asking if their accounts were involved in the defalcation and alleging that they have been receiving bills for unpaid taxes for which they hold receipts. The Bureau of Internal Revenue stands ready at all times to investigate any complaints as to erroneous bills or statements issued by any collector of internal revenue. Through investigation the Bureau has developed an accurate knowledge of the manner in which the defaulting employee operated. It is regarded as questionable whether any of the taxpayers whose accounts were tampered with by this defaulting employee have received bills or statements attributable to his activities. It will be appreciated if you will refer to this Bureau any communications which you have received from taxpayers alleging failure to properly credit their accounts so that appropriate investigation may be instituted.

You have quoted from a communication addressed to the Deputy Commissioner of the Accounts and Collections Unit by Mr. John E. McNamee, Supervisor of Accounts and Collections in Charge, dated November 13, 1947. In that letter Mr. McNamee severely criticized the collector and assistant collector of the District of Delaware for not reporting to him their suspicions regarding the defaulting employee. You state that further proof that these two officials were making an effort to conceal these discrepancies is borne out by evidence recently obtained by you which shows that a written memorandum outlining certain manipulations by the former cashier was delivered to the assistant collector on November 15, 1946.

The collector of internal revenue for the district of Delaware is responsible under the law for the collection of taxes due in his district. He is under bond to the United States for the faithful performance of this duty. His former cashier, who was the defaulting employee, is bonded to the collector and not to the United States. The collector has informed the Bureau that when this matter was first drawn to his attention the evidence was inconclusive. He considered a charge of embezzlement a serious matter, as indeed it is. He was reluctant to lodge any such charge against his employee until he possessed incontrovertible evidence of theft. He states that the first time he considered that he possessed such evidence was on May 27, 1947, at which time he immediately called Mr. John E. McNamee, Supervisor of Accounts and Collections in Charge.

Mr. McNamee proceeded at once to Wilmington where he discussed the matter with the collector and the assistant collector on May 28, 1947. On that day the collector called the Deputy Commissioner of the Accounts and Collections Unit and arranged for a joint conference in the Bureau on June 3, 1947. Collector Collison, Assistant Collector Ainsworth, and Supervisor in Charge McNamee appeared in the Bureau on June 3 and described the situation to the Deputy Commissioner of Accounts and Collections Unit. The defaulting cashier was suspended at once.

The matter was immediately referred by the Deputy Commissioner of the Accounts and Collections Unit to the Chief of the Intelligence Unit of the Bureau who initiated an investigation. Since the matter involved the revenue accounts, the intelligence unit requested that the detailed checking be accomplished by employees of the accounts and collections unit. Supervisor in Charge McNamee was instructed to cooperate with the special intelligence agent in charge who was conducting the investigation and Mr. McNamee was provided with supplementary clerical help to assist in this task. Mr. McNamee's investigation has been completed, disclosing a net shortage amounting to $30,433.98. The defaulting employee has plead guilty to a charge of embezzlement and has been sentenced to a term of 4 years in a Federal corrective institution.

In the conclusion of your letter you have stated three steps which you believe the Bureau of Internal Revenue should take. These will be restated and discussed in consecutive order.

"1. You should immediately suspend every employee in that office involved in any manner, either through participation in the embezzlement or through negligence in reporting the situation which they knew to exist to the proper authorities. This should be done immediately in order to restore in the minds of the taxpayers the confidence which they once had for your office."

The Bureau assumes that the inference is that Collector Collison and Assistant Collector Ainsworth should be suspended because of their failure to promptly report the suspicion if irregularity to the Bureau. As herein stated, the collector is responsible under the law for the collection of taxes in his district. He is an official appointed by the President of the United States with the advice and consent of the Senate. From the nature of his position he has broad discretion and considerable latitude for the exercise of independent judgment. The Bureau considers that the matter under discussion was one which called for the exercise of judgment by the collector. Whether his judgment was good or bad in the light of facts before him when suspicion arose is a matter upon which opinions may well differ. It now seems probable that if Collector Collison had foreseen the outcome of this matter he might have acted differently. There is no evidence that the collector acted in bad faith and to retrospectively charge him and his assistant with an effort to conceal discrepancies is more than the Bureau would feel justified in undertaking on the basis of the evidence before it.

"2. We think that you should immediately notify each taxpayer in the State whose accounts have been tampered with in any manner, giving to that individual all the details and enlisting his support in assisting your office to obtain a true picture of the facts."

The experience of Bureau officials over a period of many years leads them to believe that the adoption of the recommendation would be unwise. While a considerable number of accounts were tampered with or manipulated in connection with this defalcation, relatively few were involved in the ultimate shortage. The Bureau has demanded restitution from the collectors of internal revenue who were in charge of the Delaware district during the time that these manipulations were being carried on. There is no reason whatever to believe that any taxpayer of the district of Delaware will suffer by this embezzlement of Government funds. To notify taxpayers whose accounts were brought into the orbit of these irregular transactions would tend only to disturb them needlessly.

"3. We think that a thorough audit should be made of the Wilmington office, and if

necessary to expedite this, we suggest that you utilize the services of some of the special agents now assigned to that area who have been devoting their time in auditing the taxpayers."

A thorough audit of the Wilmington office in connection with the defalcation has been completed and the Bureau seriously doubts that further investigation at this time would disclose any facts not already known. In this connection I would like to clear up an apparent misunderstanding indicated by a statement in your letter to me. The investigation of this defalcation was extended and thorough. It was not "suddenly called off" but was carried through to completion. The Bureau is confident that all of the facts pertaining to the shortage which can be discovered by an examination of the books and records of the collector's office have already been divulged.

Your letter has received thoughtful consideration. I assure you in all sincerity if I believed that the program outlined would serve a good purpose I would be not only willing but eager to carry it out. I fully understand your deep interest in this matter and sincerely appreciate the opportunity which you have afforded me to state the position of the Bureau of Internal Revenue. It is my considered opinion in the light of existing knowledge fortified by long experience in the Bureau of Internal Revenue that further action in this unfortunate matter would serve the interests neither of the Government nor the taxpayers of the district of Delaware.

Very truly yours,

GEO. J. SCHOENEMAN,
Commissioner.

Mr. WILLIAMS. In his reply the Commissioner of Internal Revenue, while admitting the charges which were presented against these men, has completely rejected any consideration that they should be removed.

At this time, in fairness to these two men, I should say that so far as the evidence which I have before me is concerned, there is nothing which indicates that either of them participated in a division of the money stolen, but there is considerable evidence which proves beyond any doubt that both these men deliberately withheld evidence from the proper authorities. According to the report of the Treasury Department's own officials, when the crime was discovered on May 28, 1947, the collector even made an attempt at that late date to have it settled. The conduct of both these men in handling this affair renders them guilty at least of incompetence or malfeasance in office. In either case they should be immediately removed.

I have been advised that one of the main reasons for the insistence by the Treasury Department on the retention of Mr. Collinson as collector in the office he now holds is that it is desired to keep him in office until July 1, at which time he will be eligible for a pension of approximately $700 a year.

Another action of the Treasury Department which shows even further lack of regard for justice is that under which the salaries and ratings of both these men have been increased in one case as much as $1,000 each, while the other employee, Mrs. Louise Biscoe, who did more to help the Department and to help our committee solve this case than anyone else connected with the Bureau, has been left at her previous salary of $2,394. No recognition whatever has ever been given to this employee, who proved herself to be the most worthy employee in the Wilmington office.

This is not the only case of corruption and inefficiency which has been found to exist in the Bureau of Internal Revenue. Last year complaints were being filed against this Department in such a number that the House Appropriations Committee felt it necessary to conduct an investigation, and in their committee report filed March 9, 1948, accompanying this bill when it passed the House, they cited several instances of mismanagement, corruption, and inefficiency.

As an example of some of this mismanagement, I read a portion of that committee report, on page 10:

In the course of their survey the committee investigators visited various field offices of the collector of internal revenue including the one in Boston, Mass. In that office they reported an extremely lax and inefficient administration was discovered. Evidence found in the files of the assistant collector was highly indicative of violations of the Hatch Act.

In Hartford, Conn., officials in the office of the collector of internal revenue have been indicted for violations of the Hatch Act.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. McMAHON. I hear the Senator mention the Hartford case. That collector was indicted and was convicted about 2 months ago, and he was removed by the President.

I should like the RECORD to show that a former distinguished Member of this body, Senator John Danaher, appeared as a character witness for him, and I believe two—I am not certain of the exact number—of the Republican Members of Congress also appeared and testified to his fine character and reputation in the State. I wish to take this occasion to pay tribute to his excellent character and splendid reputation. He is a kindly and courteous gentleman. When he was convicted by the jury the jury recommended "extreme clemency." That was the phrase that was used.

Judge Hincks, a very distinguished jurist, who was a Republican appointee, stated, when he sentenced Frank Kraemer to pay a $1,000 fine, that there was no moral degradation, no moral obloquy at all, and no reflection on his character. I think that should be stated at this time.

Mr. WILLIAMS. Mr. President, I do not know how much reflection there is on his character. I am merely reading from the committee report, which states that—

In Hartford, Conn., officials in the office of the Collector of Internal Revenue have been indicted for violations of the Hatch Act.

The report also states that two employees in the office of the collector of internal revenue in Newark, N. J., recently flushed several bundles of income-tax records down a drain. It was not discovered for several months, resulting in costly confusion. Proper supervision in this office would seem to have either prevented such an incident or reduced the ensuing confusion and cost.

It was brought out in the hearings that a grand jury investigation was scheduled to start on February 23, 1948, with respect to alleged political activity in the office of the collector of internal revenue at Milwaukee, Wis.

Mr. President, I have already pointed out what has happened in the Wilmington, Del., office.

Notwithstanding all of this evidence of corruption and inefficiency, both in the Bureau here in Washington and in their various field offices, we find that the Treasury officials have completely rejected all proposals that there should be a house-cleaning in their own organization.

In my opinion the fact that some of these collectors' offices were found to be violating the Hatch Act is a very serious matter. This is one department of our Government that must always be kept out of politics, and under no conditions can we in Congress sit idly by and allow that agency to develop into a political football.

Unless we can convince the taxpayers of this country that their party affiliation has nothing to do with the amount of taxes they will be called upon to pay, our whole system of Government will fall. When we read in the committee report that, notwithstanding all of the evidence of corruption and inefficiency in their organization, the Bureau officials in general denied—and I am quoting their words—or sought to explain away nearly all of the accusations, I think it is time that we in Congress should give them some suggestions.

As I have said in the beginning, if this Congress is interested in hiring more auditors to save money for the taxpayers, I know of no better way to use those men than to assign them to the duties of cleaning up our own backyard here in Washington.

I have on my desk today a reference manual of the Government Corporations, published by the General Accounting Office, and printed as Senate Document No. 86. In this book, the Honorable Lindsay C. Warren, Comptroller General of the United States, has called the attention of Congress to the fact that a large percentage of the directors of the Government corporations have refused to comply with the laws of Congress, and that in numerous instances their books are in such deplorable condition that it is practically impossible to audit them. If one of our large corporations were found to be guilty of violating our laws and of juggling its books and engaging in a practice similar to that which is being followed by some of our Government corporations, no doubt the Department of Justice would have had the officials of the corporation in jail long ago. But the fact that these Government corporations are being administered by prominent men, apparently is being interpreted as exempting them from complying with our laws.

I know of no better way to show just how serious this situation is than to refer to the testimony which was given before a subcommittee of the Senate Banking and Currency Committee in December of last year. That subcommittee, under the chairmanship of my colleague the Senator from Delaware

[Mr. BUCK] received a report from the Assistant Director of General Accounting Office, Mr. Theodore Herz. In that testimony, which is to be found on pages 103 and 104, in volume 1 of those hearings, Mr. Herz said that the books of the Reconstruction Finance Corporation were in such a state of confusion that it was utterly impossible to balance the books. He pointed out that those books had been kept in such a manner that in instances where the Corporation had made purchases of property costing millions of dollars, there was no way of following through on the transaction to determine whether the Government sold this land or gave it away, or, if the land was sold, whether the Government ever received any payment for it.

It has been said that the only way by which the books of this Corporation ever will be balanced will be for Congress simply to cancel the Corporation's notes and refrain from asking too many questions as to what happened to the money.

The same situation has been said to exist in the records of the Maritime Commission. As to practically every one of our other Government agencies, we are continuously getting reports of inefficiency and corruption.

I think the Members of the Senate today should reject the Senate amendment, and should support the position taken by the House, which was to reject the application for any additional personnel, but to allow the agency to maintain all of its existing personnel; and at the same time give it the constructive suggestion that it eliminate the inefficiency within its organization. By all means, Congress should serve notice to the Department here in Washington that we will hold it personally responsible for removing from office men who are proven to be incompetent.

I think it is time that we let the Commissioners of the Bureau of Internal Revenue here in Washington know that Congress is going to hold them personally responsible for any future corruption or fraud uncovered in offices which are left under the administration of officials whom they know to be unqualified, and as to whose corruption they now have been properly notified.

Mr. President, I hope the Senator from Oregon will go along with this suggestion because I see no necessity for increasing the personnel by the amount proposed.

Mr. CORDON. Mr. President, I commend the Senator from Delaware for his industry and courage in making public the deplorable situation existing in a Federal office of his own State. I think that duty has devolved upon him, and I think he has discharged it well.

Mr. McMAHON. Mr. President, will the Senator yield to me?

Mr. CORDON. I yield.

Mr. McMAHON. I simply wish to say, in referring to the affair of the collector at Hartford, Conn., that there is no allegation or charge of a shortage—not even a shortage of one penny. The accounts are in perfect shape. There is no defalcation or embezzlement. The irregularity there was the collection of campaign funds on Government property, in violation of the so-called Pendleton Act.

Mr. CORDON. Mr. President, I am sure the Senator meant there was no violation except a violation of the so-called Hatch Act, with respect to engaging in political activities. My reference to the good job done by the Senator from Delaware applies to the thoroughness with which he has presented the situation in his own State.

Mr. President, the item to which the Senator has addressed his remarks is one calling for an increase in the amount allowed by the House of Representatives, of approximately $10,000,000, for the purpose of permitting the hiring of approximately 5,000 additional enforcement officers for the Bureau of Internal Revenue, and perhaps a few for the Alcohol Tax Unit of the Treasury Department.

The increase was recommended as a result of a recommendation made by a special advisory group appointed by the Joint Committee on Internal Revenue Taxation. The group made a comprehensive investigation of the tax collections made by the Treasury, and came forth with a recommendation that the enforcement personnel should be increased by substantially 16,000 persons.

Mr. KEM. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. KEM. I should like to ask the Senator from Oregon who appointed that committee.

Mr. CORDON. The advisory group was appointed by the legislative Joint Committee on Internal Revenue Taxation. I shall be glad to read to the Senator the identity of the individuals. The group was made up of outstanding accountants in the United States, and according to the testimony of Mr. Wiggins, Under Secretary of the Treasury, found on page 27 of the hearings before the Senate committee on H. R. 5770, they were as follows:

> H. H. Bond, of Boston, a lawyer who had formerly been Fiscal Assistant Secretary of the Treasury in 1927 to 1929 and is a practicing attorney in Boston; Mr. Norman McLaren, of San Francisco, head of a certified public accountants firm and president of the California Society of Certified Public Accountants; Mr. William J. Carter, of Atlanta, Ga., the former president of the National Association of Cost Accountants, and Mr. George Mitchell, Chicago, who has done a great deal of work in the field of public finance and taxation and is now tax economist of the Federal Reserve Bank of Chicago.

Mr. KEM. This committee was appointed by the Joint Committee on Internal Revenue Taxation, was it not?

Mr. CORDON. That is correct.

Mr. KEM. Did they inquire into the efficiency or the honesty or the diligence with which other employees of the Treasury Department were discharging their respective duties?

Mr. CORDON. They made a comprehensive investigation, and made same 21 recommendations respecting sundry conditions which they found. The report itself is one that I commend to the Senator.

Mr. KEM. Did they touch on any matters of which the Senator from Delaware has spoken today?

Mr. CORDON. Not to my knowledge. They did not go into the matter of embezzlement, or anything of the sort, with reference to specific instances. Theirs was a management study of the Bureau of Internal Revenue.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. CORDON. I shall be glad to yield.

Mr. WILLIAMS. The report of which the Senator speaks was before the House committee, was it not?

Mr. CORDON. As a matter of fact, it was not. The report was not released until after the House committee had made its report and the bill had passed the House.

Mr. WILLIAMS. The House committee had an investigation of its own, did it not?

Mr. CORDON. That is correct.

Mr. WILLIAMS. I want to read a summary of what the House committee said in their report on the activities of the Bureau of Internal Revenue, as they found it, with respect to the Washington office. The findings with respect to the field offices have been discussed. Reading from page 9:

> The investigators found discipline and administrative control lax in the Washington office of the Bureau, and estimated that it is securing no more than six productive hours of work per day, on the average, from its employees. In the face of such conditions, the Congress is urged to appropriate large sums of money to support, in effect, loafing on the job.

Mr. HATCH. Mr. President, if the Senator will yield, certain statements have been made on the floor which I think probably should be corrected, merely in the interest of accuracy. The case was cited of a man who it was said had been convicted under the Hatch Act for political activity. I do not even recall his name, and I do not know anything about him. It was said I think that he had been fined $1,000. That would have been simply impossible.

The Hatch Act, which makes it an offense to engage in political activity, does not carry a criminal penalty. He could not have been punished under the criminal law. Probably what occurred—and I am informed that this is the fact—the gentleman was found guilty of violating another law, an old law that has been on the Federal statute books for a long time, prohibiting the solicitation of campaign contributions on public property. That is not engaging in political activity. It does constitute a criminal offense.

I do not want it said on the floor of the Senate that because an employee of the Federal Government might engage in political activity he thereby could subject himself to criminal prosecution and conviction. I make that statement merely for the sake of the RECORD.

Mr. WILLIAMS. Mr. President, I should like to say to the Senator from New Mexico that the only statement I made in regard to what happened in the Hartford office was this: In Hartford, Conn., officials in the office of the collector of internal revenue have been indicted for alleged violation of the Hatch Act. It was the Senator from Connecticut himself who referred to the penalty. I do not know, of course, how accurate he was, but I would suggest that the Senator from New Mexico take the matter up

and straighten it out with the Senator from Connecticut.

Mr. HATCH. It was said here on the floor today, perhaps by the Senator from Oregon—I do not know; I heard someone speaking of it—that the man had been convicted under the Hatch Act of engaging in political activity and had been fined.

Mr. WILLIAMS. Mr. President, if the Senator will yield, I may say that statement was made by the Senator from Connecticut.

Mr. CORDON. Just a moment.

The PRESIDENT pro tempore. The Senator from Oregon has the floor.

Mr. CORDON. The Senator is glad to accept the explanation given by the Senator from New Mexico, who, having been the author of the Hatch Act, should still know what the act contains.

Mr. HATCH. It does not contain a criminal penalty in that respect. There are sections which do carry a criminal penalty.

Mr. CORDON. Mr. President, the investigation made by the special group appointed by the Joint Committee on Internal Revenue Taxation contains some 58 pages, a great number of graphs, tables, and other statistical data, and it appears to be a most comprehensive investigation and report thereon. I commend it to all Members of the Senate who are interested in this particular matter. Obviously the Appropriations Committee cannot turn aside from its duties to take over the chores of investigation that properly should be administered by the legislative committees of the Senate. I simply want to say that in making this recommendation of an amendment, the question of an extra $10,500,000 for this purpose, the committee followed the recommendation of the special committee.

The committee also had the information which it had developed this year and last on the same subject, and the chairman of the subcommittee has been in touch with the chairman of the subcommittee and of the whole committee on the House side, with reference to this particular matter. I am convinced that it means many millions of dollars for the Treasury of the United States, if this particular amendment should be adopted.

Last year the Senate attempted to hold in the bill for enforcement purposes some $25,000,000 more than was allowed by the House. The Senate had an opportunity for further study after the House committee completed its study.

Unfortunately we were unable to hold the full amount. Some 6,000 deputy collectors and special agents were dropped last year. While the result may not appear to be bad, so far as the record is concerned, because more money was collected each month during fiscal 1948 than in 1947, yet the studies which were made—and they were comprehensive—indicate that the special agents employed by the Treasury Department in 1946 recommended deficiencies representing substantially $27 for each $1 of salary. Of those deficiencies, substantially two-thirds were collected. The collectors brought into the Treasury $13 and a fraction for each dollar of salary. There is now admitted to be some $5,000,000,000 owing to the Federal Government, which is collectible, but which will presently be barred by the statute of limitations unless the Government can get adequate personnel to go into the matter and determine the facts.

The committee submits that the amendment should be adopted.

Mr. KEM. Mr. President, will the Senator yield?

Mr. CORDON. I shall be glad to yield.

Mr. KEM. Would the Senator agree that it is proper for the Senate to inquire, when a Government department is asking for additional funds, a greater amount than it has ever before had, whether it is properly using the funds which have already been appropriated?

Mr. CORDON. I think it is not only proper to make that inquiry, but it is a duty to make it.

Mr. KEM. Would the Senator say, if the present employees are working practically 6 hours a day of productive effort, there is reason to increase the personnel? Is not the approach rather one of shifting employees to other duties?

Mr. CORDON. Of course there is an assumption involved which the Senator from Missouri indulges but which the Senator from Oregon cannot indulge, because he has no knowledge of the facts.

Mr. KEM. I am merely quoting from the Senator from Delaware.

Mr. WILLIAMS. I quoted from a House committee report, a summary of an investigation conducted.

Mr. CORDON. Mr. President, of course the work to be done by the persons who are to go on the rolls will be done in the field throughout the 13 districts of the United States.

Mr. KEM. A few days ago in the debate on an appropriation bill I had occasion to make some reference to the fact that time after time the House sends bills to the Senate, and the amounts contained in them are increased by the Senate. The number of letters I received as a result of that passing reference brought home to me the fact that the people are watching our performance in that respect and are very cognizant of what is going on and, I may say, are irritated by the constant performance that takes place on the floor of the Senate in raising House appropriations. Surely in this bill we have a number of amendments which were suggested by the Senate committee, and in each case it results in an increase. In each case, after careful consideration, the Senate committee has decided that the amount proposed by the House was insufficient.

It seems to me it is proper for us to consider the subject very seriously. The decision is always against the taxpayer and always in favor of the department which wants more money. Surely sometimes the taxpayer ought to win on one of these appeals. I have been watching the bills as they have come to the Senate. So far as I have been able to see, the batting average is 100 percent for the departments. Perhaps that is an exaggeration, but it is not much of an exaggeration.

It seems to me, Mr. President, we should do one of two things: either we should let the amount appropriated by the House for this particular item remain as it is, or we should ask the committee to be good enough to inquire into evidence of inefficiency and lack of diligence on the part of the present staff, as has been submitted by the Senator from Delaware [Mr. WILLIAMS]. We should not merely let it go without any consideration or without any evidence of earnest desire to protect the interests of the taxpayers.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. CORDON. I yield to the Senator from New Mexico.

Mr. HATCH. Mr. President, I merely wanted to suggest that there is a standing committee of the Senate charged with the duty of constant supervision of the executive branch of the Government, looking toward efficiency and economy. It has a large staff. The question raised by the Senator, it seems to me, should be referred to the committee of which the Senator from Vermont [Mr. AIKEN] is chairman and which is primarily responsible along the lines suggested by the Senator from Missouri.

Mr. KEM. We cannot abdicate all our ordinary functions and turn everything over to a committee and say that the responsibility is all theirs. The responsibility of appropriating public money is the responsibility of Congress, and we cannot evade that responsibility by saying that we have a committee looking after the matter.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. CORDON. In a moment. I want to suggest to the Senator from Missouri, and to any other Senators interested in the subject, that there are printed hearings indicative of the thoroughness, or lack of thoroughness, as the case may be, on the part of the committee when it went into the matters which have been adverted to, including the report of the House committee in criticism of the Bureau of Internal Revenue. I hope recourse will be had to the hearings, because I think the answers to many of the questions can be found therein. I want to assure the Senate that we did not neglect going fully into every phase of the criticism that was made, and making a study. The conclusions reached are embraced and embodied in the bill.

Mr. KEM. Mr. President, will the Senator yield?

Mr. CORDON. I shall be glad to yield.

Mr. KEM. Did the committee inquire into the charges made by the Senator from Delaware, which have been set out in his remarks today?

Mr. CORDON. That question covers a lot of territory. If the Senator refers to the criticism by the House committee of the Internal Revenue Bureau, yes. If reference is made to the matter in Delaware, that would appear to be a criminal matter and outside the duty of the committee. No inquiry was made regarding it.

Mr. KEM. The fact that it is a criminal matter does not relieve the committee from deciding whether the money appropriated for the particular department is being honestly and judiciously spent.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. CORDON. Just a moment. There is a special committee of the Senate whose duty it is to take care of that type of question. I suggest to the Senator that if he will sit with the Appropriations Committee through one session of Congress he will realize that there are not many minutes left after a careful survey is made of all of the estimates that come in and of all the reports having to do with the expenditure of funds.

Mr. WILLIAMS. Mr. President, will the Senator yield for a moment?

Mr. CORDON. I yield.

Mr. WILLIAMS. A great deal is being said about a matter which is being investigated by some committee of the Senate. The report which I have given this afternoon is the result of an investigation made by a subcommittee of the Committe on Post Office and Civil Service of which I was chairman. We felt that since it involved the condition of Government employees we had a perfect right to call employees before our committee and investigate the case. The report which I have made this afternoon was the result of that investigation. I am surprised that the Senator from Oregon did not know about it, because the investigation was started and the first report was made last December. On each occasion we kept the Appropriations Committee fully informed with copies of all the transcripts of our hearings. I am surprised that he did not know about it.

Mr. CORDON. I may say that the item in question was referred by the Appropriations Committee to the special investigating subcommittee headed by the Senator from Michigan [Mr. FERGUSON].

Mr. WILLIAMS. The facts can be confirmed.

The Senator from Oregon has pointed out that with an additional 5,000 employees approximately $225,000 would be brought into the Treasury——

Mr. CORDON. The Senator from Oregon gave no figure, but if the figures which were presented for the year 1946 have any value, it would probably be five times that amount.

Mr. WILLIAMS. I am not at all surprised to be getting another answer——

Mr. CORDON. The Senator did not get any answer in the first place. The only answer he has received is the one which I have just made.

Mr. WILLIAMS. From reading the committee report, it would appear that for each dollar expended in additional personnel $27 in additional revenue would be brought in.

Mr. CORDON. The $27 item represents a listed deficiency, and the record indicates that two-thirds of it ultimately becomes a collection.

Mr. WILLIAMS. In the letter which the Commissioner signed yesterday he revised the figure and said that it is now $20 increased revenue for each employee.

I reviewed the various years from 1944. In 1944 there were 16,000 revenue agents, and in that year they brought into the Government $40,100,000,000.

In 1945 we complied with the request of the Bureau to give them 3,000 additional men, and made the number 19,000, and in that year they increased their collections to $43,800,000,000, and that is the year the figures of which they are still citing.

They came back the next year, 1946, with such a good record from the increase that they asked for an increase of 5,000 more, an increase to 24,000, but for some unknown reason that 24,000 collected only $40,200,000,000, they dropped a little. But Congress the next year, in 1947, increased the number by 3,000, to 27,000, and in that year the collections dropped further to $39,100,000,000. They do not talk about that.

Last year Congress said they had too many employees, we decided that we had crossed the saturation point and that we had to reduce the personnel. We decided that we would go back to 22,000, and the number was reduced to 22,000, and they brought in $42,100,000,000, or an increase of $3,000,000,000 with a reduction in force of 5,000 employees.

So I do not know how the Senator from Oregon finds any relationship at all between the number of employees and the amount of the revenue. He knows, as well as I do, that the amount of revenue of the Government is dependent entirely on the amount of earnings in industry, it is not dependent on the amount of collectors there are in the field.

Mr. President, I am not trying to defend any tax evaders; I think we should collect from them. What I am trying to do is to show that it will not do the Government any good to increase personnel as long as the administration sitting here in Washington insists upon retaining in control of the various collecting offices men who admittedly conceal fraud or attempt to protect officials when they are caught embezzling money. We are not going to increase tax collections by placing 20 percent more men under the control of collectors who themselves are ignoring the law. It is my contention that the large majority of our citizens are honest American citizens and will pay their tax more willingly by giving to them clean, efficient government than they will by increased enforcement.

Mr. KEM. Mr. President, will the Senator from Oregon yield?

Mr. CORDON. I yield.

Mr. KEM. It seems, from the statement of the House committee report, that the present personnel of the Bureau of Internal Revenue is working about 6 hours a day of productive effort. Can the Senator give us any estimate as to the number of hours the new employees who will be put to work under the provisions of the bill will be employed?

Mr. CORDON. I assume they will operate under the 40-hour-week law. I do not know how many of them may perhaps sit down occasionally and waste a little time. I suspect that will be done. There is a pretty low level of efficiency in commercial life as well as the Government, and I make no defense for waste of time in the Government.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. CORDON. I am glad to yield to the Senator from Pennsylvania.

Mr. MYERS. I think the employees in the internal-revenue employment work just as hard as do the Members of the Senate or the Members of the House of Representatives. I am becoming somewhat weary of hearing Federal employees being condemned merely because the administration happens to be a Democratic administration. I can remember a year or 18 months ago talking about the cut in the appropriation for the Internal Revenue Bureau, when we had the difficulty in the conference committee between the House and the Senate, and I can remember the Republican newspapers from Philadelphia to Pittsburgh condemning Congress because of the false economy involved. I charged then that it was false economy, and I think the fact that the committee comes in today asking for 5,000 more employees proves that it was false economy.

Mr. President, I think the men and women employed in the Internal Revenue Department have done a magnificent job. As the Senator from Delaware has said, figures have indicated and proved that each employee brings into the Federal Treasury about $20 for each dollar spent in salaries.

I think it is about time that we faced the problem, and realized that these Government employees are just as honest and just as efficient and just as industrious as are other employees, in or out of government. I think it is about time we stopped condemning Federal employees. They make a career of their service, and many of them work 8 or 10 or 12 or more hours a day. It is about time we stopped talking about collections and began talking about efficiency in government. It is about time we give them a little credit for the job they have done.

Mr. President, I know many of these employees. I am intimately acquainted with many of them in my State of Pennsylvania, and I think they are as honest and as industrious employees as will be found in or out of the Government.

I certainly trust and hope that the appropriation for the additional employees will be approved by the Senate, because I think that if it is the Government will collect more money than it has collected before. I believe this situation proves that we made a mistake a year or 18 months ago in reducing the appropriations for the Internal Revenue Bureau. I am convinced that if we approve the appropriation in the pending bill, if we give our assent to it, it will return to the Treasury many more dollars than will be expanded under the appropriation.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. KEM. Mr. President, I should like to have the RECORD show that I voted against the committee amendment.

The PRESIDENT pro tempore. The RECORD so shows, as a result of the Senator's statement.

Mr. WILLIAMS. Mr. President, I do not wish to delay the Senate tonight, but there was one further matter I wish to call to the attention of the Senate, namely, that the books in the Wilmington office today are still not balanced. The Treasury Department claims there is a shortage of $30,433.98. I

wrote the General Accounting Office and asked them this question:

Do you agree with the Treasury Department that this $30,433.98 represents the total amount of the embezzlement of funds in that office?

The reference was to the Wilmington office. The answer was:

No, the amounts reported by investigators from this office and investigators from the Treasury Department do not agree. The amount, exclusive of interest, due the United States on moneys withheld is reported to be $30,956.01 by the former and $30,433.98 by the latter. The investigators from this office include 11 additional items and omit 8 other items which were included by Treasury Investigators. The eight items omitted are those representing penalties and interest on documents filed on time but withheld by the cashier until the penalties and interest accrued. The cashier paid these items to conceal his withholding but no credit was allowed by this office for his wrongdoing. It also appears that one of the above items represented a fictitious document made to conceal the cashier's irregular transaction.

My reason for opposing the amendment is that I see no use sending men out to investigate taxpayers at least until we know that conditions in the offices are cleared up. If a taxpayer knows money might be stolen or misappropriated, we cannot expect him to feel free to send his money in. My criticism of the Department here today is not to be interpreted as criticism against the employees as a whole. But I do feel that when a condition of mismanagement or incompetence is called to their attention the manner in which they ignore it is inexcusable.

The PRESIDENT pro tempore. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill (H. R. 5770) was read the third time and passed.

Mr. CORDON. Mr. President, I move that the Senate insist on its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees.

The motion was agreed to, and the President pro tempore appointed Mr. CORDON, Mr. REED, Mr. BRIDGES, Mr. SALTONSTALL, Mr. FLANDERS, Mr. TYDINGS, Mr. MCKELLAR, and Mr. HAYDEN conferees on the part of the Senate.

Mr. CORDON. Mr. President, I ask unanimous consent that the statement beginning on page 2 of Report No. 1389 of the Senate Committee on Appropriations on the bill just passed, down to and including the first paragraph on page 6, be printed in the RECORD as a part of my remarks. I believe the recommendations are of sufficient importance to warrant this rather unusual action.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

The committee has proposed a total appropriation of $2,010,601,200 for the Treasury and Post Office Departments in the fiscal year 1949. This amount will provide $308,998,600 for the Treasury Department and $1,701,602,600 for the Post Office Department. The total recommended amount is $28,878,850 over the House allowance of $1,981,722,350, is $34,348,000 under the 1949 revised estimates of $2,044,949,200, and $90,969,250 over the 1948 appropriations of $1,919,611,950, for comparable items. Of the $308,998,600 proposed for the Treasury Department, $12,432,000 represents additional funds for the Bureau of Internal Revenue which the committee considered justified in light of testimony presented during its hearing on the supplemental estimate, Senate Document No. 156, submitted in the amount of $27,323,000. As stated in the House report the bill carries no funds for the Bureau of Customs, Coast Guard, acquisition of strategic and critical materials, and refunding of internal-revenue collections which will be carried in a subsequent bill. The 1949 total appropriation estimate for these four Treasury items is $2,524,519,275.

For ready reference there is attached a tabulation of the direct appropriations carried in the bill, as well as the 1949 estimated obligations for the permanent appropriations totaling $5,877,868,063, and for trust funds, aggregating $3,313,584,430.

TREASURY DEPARTMENT

The committee recommends a total appropriation of $308,998,600 to meet the 1949 fund requirements of the Treasury Department. For comparative purposes this proposed sum is $18,545,500 over the House allowance of $290,453,100, is $25,306,100 under the 1949 revised estimates of $334,304,700 and is $4,679,800 under the original 1948 appropriations which totaled $313,678,400. The House made a reduction of $16,528,600 from the 1949 original estimates of $306,981,700, and of this reduced amount the Department requested restoration of $13,113,500 plus $27,323,000 contained in supplemental estimate submitted in Senate Document No. 156, for the Bureau of Internal Revenue. Of the $13,113,500 requested restored, the committee has allowed $6,113,500, or a reduction of $7,000,000. This reduction represents the difference between $10,000,000, the amount estimated for increased capitalization of the general supply fund, and $3,000,000 the amount considered justified for such purpose. As to the supplemental estimate submitted for $27,323,000, the committee has provided $12,432,000. Of this additional sum, $10,000,000 is for personal services and $2,432,000 for objects of expenditure other than personal services, in the Bureau of Internal Revenue. The House allowed $186,736,000 for salaries and expenses of the Bureau, or a reduction of $1,264,000 under the 1949 estimate of $188,000,000. The committee has recommended the restoration of the $1,264,000 plus $12,432,000 of the supplemental request, or a total increase of $13,696,000 over the House allowance of $186,736,000.

In providing the additional funds, the committee has also recommended an increase in the limitations to afford some flexibility in Bureau operations and at the same time provide the Secretary of the Treasury with authority to carry out some of the recommendations made by the advisory group to the Joint Committee on Internal Revenue Taxation in addition to the upgrading plan vitally needed as an incentive in the enforcement units, which includes to a lesser degree the alcohol tax units of the field service. Provision has been also recommended to authorize the Secretary of the Treasury to undertake and direct, by contract or otherwise, employment of firms or experts to perform a detailed reorganization and management study of the Bureau. The sum of $150,000 is provided for this purpose in lieu of $300,000 requested.

In providing $10,000,000 for additional personal services in the Bureau of Internal Revenue, $2,000,000 of such amount may be expended as the Secretary deems necessary to upgrade essential positions outlined in the justifications and testimony presented to the committee, and the balance for employment of additional enforcement personnel with due consideration first given to the need for such personnel before augmenting the force of the alcohol tax units.

POST OFFICE DEPARTMENT

The committee recommends a total appropriation of $1,701,602,600 to meet the 1949 fund requirements of the departmental and field services, Post Office Department. For comparative purposes this recommended sum represents an increase of $10,333,350 over the 1949 House allowance of $1,691,269,250, is $9,041,900 under the 1949 estimates of $1,710,644,500, and is $95,669,050 in excess of the 1948 appropriations which aggregated $1,605,933,550. The House made a reduction of $19,375,250 from the 1949 estimates and of this reduced amount the Department requested a net restoration of $10,634,650.

In allowing additional operating funds particularly for the postal service, the committee recognizes the work load attributed to the increased volume of mail, also the increased and somewhat uncontrollable costs for new equipment, supplies, and services. It is their considered judgment, however, that the officials vested with authority to control such expenditures should keep constantly alert to the vital need for maintaining costs at a minimum level, to establish work-simplification programs as expeditiously as possible, and to lend full and complete cooperation to the installation of new and modern labor-saving devices wherever practicable within available funds.

The committee endorses the purpose of the survey and study of the postal service which is now being conducted under House Resolution 176, and has accordingly approved the earmarking of funds for the supervision, installation, and operation of pilot mail-sorting equipment. Savings must be effected in the Department's operating costs to help reduce the postal deficit which is estimated to be approximately $326,000,000 in the fiscal year 1949. The committee in considering the apparent need for flexibility in the apportionment of funds made available for field operations has inserted in the bill a provision authorizing the transfer of funds between field service appropriations after approval of the Bureau of the Budget.

Postal deficit

The committee recognizes the vital need for reduction of the postal deficit, estimated to be $345,000 in the current fiscal year. It is cognizant of the fact that a greater portion of this deficit occurs in costs for handling second-, third-, and fourth-class mails, and in special services. This is attributed, in the main, to the low rates fixed for such classes and to the abnormal increase in volume of pieces, especially in the parcel-post category. This latter situation results from increased express rates which has caused heavy channeling of parcels through postal service in order to take advantage of low rates. To illustrate, a pound package dispatched 150 miles by parcel post costs only 9 cents as against 73 cents if sent by express. As a consequence, the parcel-post deficit in 1947 was $41,000,000, and for 1948 is estimated to be $93,000,000. To rectify this unfavorable situation the committee's view is that the Postmaster General should take immediate steps to comply with the provisions of existing law, contained in 39 United States Code, section 247, which empowers him, with consent of the Interstate Commerce Commission, to fix parcel-post rates at a level to cover the costs of service rendered. The cited law is as follows:

"SECTION 247. REFORMATION OF CLASSIFICATION, ETC.

"The classification of articles mailable, as well as the weight limit, the rates of postage, zone or zones, and other conditions of mail-

ability under sections 240, 293, and 294 of this title if the Postmaster General shall find on experience that they or any of them are such as to prevent the shipment of articles desirable, or to permanently render the cost of the service greater than the receipts of the revenue therefrom, he is directed, subject to the consent of the Interstate Commerce Commission after investigation, to re-form from time to time such classifications, weight limit, rates, zones or zones, or conditions, or either, in order to promote the service to the public or to insure the receipt of revenue from such service adequate to pay the cost thereof." (Feb. 28, 1925, ch. 368, sec. 207, 43 Stat. 1067; May 29, 1928, ch. 856, sec. 7, 45 Stat. 942.)

Action by the Postmaster General, as above recommended, will of course affect only that portion of the deficit resulting from parcel-post activities. The committee recognizes that costs of operating the postal system have increased far more rapidly than have receipts in practically every phase of the service, but the postal rates for the most part have not risen beyond the levels which were established before costs began to increase. The establishment of postal rates is a legislative matter except with respect to the provisions above set out. This committee therefore recommends that the appropriate legislative committee undertake a study of postal rates with a view to materially reducing, if not eliminating, the postal deficit.

Air mail subsidy

The present bill contains $58,583,000 for payment of costs of carrying air mail and the subsidy to commercial air lines. The subsidy represents the major portion of this amount, and has no direct relationship to the cost of air-mail transportation. Increasing competitive air transportation will unquestionably result in further increasing this subsidy payment. The rate of air-mail transportation is not fixed by the Post Office Department but by the Civil Aeronautics Board and is intended to represent the amount which added to other revenues is sufficient to guarantee to the air lines in question profit on their venture. The Civil Aeronautics Act of 1938, as amended, is the authority for this arbitrary charge against the Federal Treasury. The committee commends to the attention of the Senate Report No. 1958 of the House Post Office and Civil Service Committee of the present session wherein this problem is discussed at length.

As stated in the House Report No. 1958, "the practice of granting retroactive air-mail pay was a means of underwriting any losses whatever and, in effect, is a situation similar to 'cost-plus' contracts." Other important findings of the committee are that the "present procedures makes available a large sum of money from air-mail pay for expensive experiments in the domestic air line pattern," also that "current operating expenditures (now exceeding revenues, are used as a basis for petitioning for increased mail pay. Some trunk lines have shown spectacular profits in past years which are not considered in these current petitions for air-mail pay increases." The report further stated that—

"Under the present system * * * it is virtually impossible to have any satisfactory approach to establishing air-mail rates or air parcel-post rates which will provide revenues to equal the expenditures for carrying this particular class of mail. This situation is aggravated by the fact that increases in rates paid to carriers have no relationship to the service performed by the carrier for the Post Office Department. It is the recommendation of the committee that the subsidy element in air-mail pay be separated * * * the better solution is to make provisions for subsidies directly to the Civil Aeronautics Board."

The committee recommends to the appropriate legislative committees that a comprehensive study be made of the administration of the subsidy provision of the Civil Aeronautics Act of 1938, as amended, with a view to enacting legislation which will divorce subsidy from the legitimate air-mail transportation costs so that the true picture can be made available to the American people.

FORT SUMNER IRRIGATION DISTRICT, NEW MEXICO

Mr. HATCH. Mr. President, House bill 3834, to authorize the project for rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes, is pending under a motion made by the Senator from Texas [Mr. CONNALLY] for reconsideration of the vote by which the bill was passed. At the time the bill was passed on the Consent Calendar, the Senator from Texas was not present. He came in a day later and made the motion to reconsider. Naturally I would not want action on a bill when a Senator opposed it. We have been trying to reach some understanding about the matter. There is a possibility we will. In order that the motion to reconsider may be disposed of—and I have spoken with the Senator from Texas about it—I ask unanimous consent that the motion to reconsider be agreed to, and that the bill be placed upon the calendar.

The PRESIDENT pro tempore. Without objection, the motion to reconsider is agreed to, and the bill will be returned to the calendar.

CONTINUATION OF JOINT COMMITTEE ON HOUSING BEYOND MARCH 15, 1948

Mr. CAIN. Mr. President, on behalf of the Senator from Vermont [Mr. FLANDERS], from the Committee on Banking and Currency, I ask unanimous consent to report favorably House Concurrent Resolution 197, to continue the Joint Committee on Housing beyond March 15, 1948, and for other purposes, and I submit a report (No. 1436) thereon.

I send the concurrent resolution to the desk and ask that it be read for the information of the Senate.

The PRESIDENT pro tempore. The clerk will read.

The Chief Clerk read as follows:

Resolved, etc., That section 3 of the concurrent resolution entitled "Concurrent resolution to establish a joint congressional committee to be known as the Joint Committee on Housing" (H. Con. Res. 104, Eightieth Congress), is hereby amended to read as follows:

"SEC. 3. The committee shall report to the Senate and the House of Representatives not later than March 15, 1948, the results of its study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable. For administrative purposes of concluding its business the committee is authorized to continue until July 15, 1948."

Mr. CAIN. Mr. President, I ask unanimous consent for the immediate consideration of the concurrent resolution.

Mr. ELLENDER. I object.

The PRESIDENT pro tempore. The Senator from Louisiana objects. The resolution will be placed on the calendar.

Mr. CAIN. Will the Senator withhold his objection in order to permit me to make a very brief explanation of the concurrent resolution?

Mr. ELLENDER. I do not think it will do any harm to let the matter go over until Tuesday. I should like to look at the concurrent resolution.

The PRESIDENT pro tempore. Objection is heard.

EXECUTIVE SESSION

Mr. CAIN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WHITE, from the Committee on Interstate and Foreign Commerce:

Commodore Raymond Thomas McElligott, United States Coast Guard, to be a rear admiral in the Coast Guard, to rank as such from June 1, 1948.

Executive B, Eightieth Congress, second session: An International Telecommunication Convention with accompanying instruments, signed at Atlantic City on October 2, 1947 (Exec. Rept. No. 9).

By Mr. VANDENBERG, from the Committee on Foreign Relations:

Philip C. Jessup, of New York, to be the deputy representative of the United States of America, with the rank and status of Envoy Extraordinary and Minister Plenipotentiary, in the Security Council of the United Nations; and

Henry F. Grady, of California, now Ambassador Extraordinary and Plenipotentiary to India and Envoy Extraordinary and Minister Plenipotentiary to Nepal, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nominations on the calendar.

DEPARTMENT OF AGRICULTURE

The legislative clerk read the nomination of Charles Franklin Brannan, of Colorado, to be Secretary of Agriculture.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of Robert L. Shivers, of Honolulu, Hawaii, to be collector of customs for customs collection district No. 32, with headquarters at Honolulu, Hawaii.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The legislative clerk read the nomination of Raymond E. Thomason to be United States marshal for the northern district of Alabama.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Roulhac Gewin to be United States marshal for the southern district of Alabama.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

The PRESIDENT pro tempore. Without objection, the nominations in the Navy are confirmed en bloc.

THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

The PRESIDENT pro tempore. Without objection, the nominations in the Marine Corps are confirmed en bloc.

That completes the nominations on the Executive Calendar.

Without objection, the President will be immediately notified of nominations this day confirmed.

ADJOURNMENT TO TUESDAY

Mr. CAIN. As in legislative session, I move that the Senate adjourn until 11 o'clock a. m. on Tuesday next.

The motion was agreed to; and (at 6 o'clock and 13 minutes p. m.) the Senate adjourned, the adjournment being under the order previously entered, until Tuesday, June 1, 1948, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate May 28 (legislative day of May 20), 1948:

DIPLOMATIC AND FOREIGN SERVICE

Henry F. Grady, of California, now Ambassador Extraordinary and Plenipotentiary to India and Envoy Extraordinary and Minister Plenipotentiary to Nepal, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece.

SECURITIES AND EXCHANGE COMMISSION

Richard B. McEntire, of Kansas, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1953.

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

Hon. NOBLE J. JOHNSON, of Indiana, to be an associate judge of the United States Court of Customs and Patent Appeals, vice Hon. Oscar E. Bland, resigned.

UNITED STATES DISTRICT JUDGE, CANAL ZONE

Joseph J. Hancock, of Kentucky, to be United States district judge of the Canal Zone, vice Hon. Bunk Gardner, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 28 (legislative day of May 20), 1948:

DEPARTMENT OF AGRICULTURE

Charles Franklin Brannan to be Secretary of Agriculture.

COLLECTOR OF CUSTOMS

Robert L. Shivers to be collector of customs for customs collection district No. 32, with headquarters at Honolulu, T. H.

UNITED STATES MARSHALS

Raymond E. Thomason to be United States marshal for the northern district of Alabama.

Roulhac Gewin to be United States marshal for the southern district of Alabama.

IN THE NAVY

The following retired officers for advancement on the retired list of the Navy to the rank of vice admiral, in accordance with the provisions of section 414 of the Officer Personnel Act of 1947:

To be vice admirals

John H. Dayton	Ferdinand L. Reichmu
Clarence S. Kempff	William W. Smith
Charles A. Blakely	Howard F. Kingman

The following-named midshipmen (Naval Academy) to be ensigns in the Supply Corps of the Navy from June 4, 1948, in lieu of appointment as ensigns in the Navy as previously nominated:

To be ensigns

Augustine A. Albanese	Harvey R. Humphrey
Levon Berberian, Jr.	Leonard A. Jay, Jr.
Jack Baruch	William E. Johnston
Robert P. Barber	Harold L. Robiner
Floyd E. Bergeaux	Wilburn A. Speer, Jr.
James H. H. Carrington	Hart R. Stringfellow, Jr.
Matthew A. Chiara	
Lawrence C. Hernandez, Jr.	Howard A. True

The following-named midshipmen (Naval Academy) to be ensigns in the Civil Engineer Corps of the Navy June 4, 1948, in lieu of appointment as ensigns in the Supply Corps of the Navy as previously nominated:

To be ensigns

Edward A. McManus
Marvin A. Weir

The following-named midshipmen (aviation) to be ensigns in the Navy from June 4, 1948:

To be ensigns

Francis L. Ames	William C. Lamont
Donald W. Baker	Albert P. Lesperance
Ernest Burks, Jr.	Charles A. Luff, Jr.
Homer L. Burrell, Jr.	Earl Mann
Rodney B. Carter	Charles W. Melville, Jr
Henry E. Covert, Jr.	Edward L. Miles
Edward S. Disbrow, Jr.	George B. Moore
Norman K. Donahoe	Carl D. Neidhold
Robert S. Donovan	Leland E. Nelson
Walter M. Earley, Jr.	William L. Neubauer
Ray W. Flickinger, Jr.	Paul A. Peck
William F. Fraser	Edward Phillips
William F. Glass	John H. Pickering
Ervin E. Goins	Edward W. Rhoads
William F. Goodman	David W. Robertson
Harry G. Harber	Frank H. Sheffield
James "G" Hayes	Bailey D. Sterrett, Jr.
Frank A. Hayn	Russel A. Walter
Robert F. Henning	Charles J. White
Robert L. Jasmin	Lloyd C. Wholey
John F. Kail	Alan S. Wilhite
Roderick J. Kulus	

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Navy from June 4, 1948:

To be ensigns

Ronald R. Oberle
Duane A. Tarpenning
Herbert E. Reichert

To be ensign, Civil Engineer Corps, from June 4, 1948

Charles D. Rohay

To be lieutenants (junior grade), Chaplain Corps

Thomas L. H. Collin	Ralph W. Hopkins
Theodore C. Herrmann	Peter A. Schmitt

To be lieutenants (junior grade), Civil Engineer Corps

James E. Beckett	Charles E. Diehl
William R. Bracey	Paul J. Doyle, Jr.
Carl F. Carrillo	John T. Hanley
Paul "M" Churton	Robert H. Heuston
Whitney B. Jones	Lawrence F. O'Neill
Douglas T. Kitterman	John J. Reeve, Jr.
Neville S. Long	Carl R. Seitz
Charles G. Miller, Jr.	William E. Wilson
David C. More	George R. Yount

To be lieutenant commander in the line of the Navy

John S. Leahy, Jr.

To be lieutenant commanders, Medical Corps

Marcos A. Godinez
Thomas F. Gowen
Gustave A. Roy

To be lieutenants (junior grade), Medical Corps

Samuel A. Heaton, Jr.	Harold T. Meryman
Alanson Hinman	George M. Rugtiv
Walter G. Leonard, Jr.	William M. Strunk

To be lieutenant (junior grade), Chaplain Corps

George W. Jenkins

To be lieutenant commanders, Dental Corps

Walter J. Demer
Charles M. Heck
Clarence Y. Murff, Jr.

To be lieutenants, Dental Corps

Byrnes E. Missman
Edwin M. Sherwood
Wendell Whetstone

To be lieutenants (junior grade), Dental Corps

Van L. Johnson, Jr.
Charles W. Lynds
John J. Stifter, Jr.

To be lieutenant commanders, Medical Service Corps

Alan D. Grimsted
Claude V. Timberlake, Jr.

To be lieutenants, Medical Service Corps

James W. Bagby, Jr.
Benjamin F. Burgess, Jr.
Alf R. Hagen
Frederick O. Ottie

To be lieutenants (junior grade), Medical Service Corps

Joseph P. Factor
Joseph J. Martorano
Solomon C. Pflug
Robert F. Rigg

To be lieutenants, Nurse Corps

Irena G. Cook
Lois G. Moyer
Alma M. Shebakis

To be lieutenants (junior grade), Nurse Corps

Julia M. Blair	Mary A. Moniz
Lucille F. Finney	Rose M. Ralston
Juliet M. Kouns	Mary E. Whalen

To be ensigns, Nurse Corps

Dorothy M. Moon
Rita A. Sieland

IN THE MARINE CORPS

APPOINTMENTS IN THE REGULAR MARINE CORPS

To be lieutenant colonel

Robert C. Burns

To be first lieutenant

William E. Bonds

To be second lieutenants

Edward R. Carney	Jack L. Reed
Joseph L. Davis	William J. Schreier
Raymond J. Elledge	Donald R. Segner
Robert E. Hill	George F. Thayer
Herbert W. Johnson	Chester E. Tucker
Elmer H. Keshka	Henry M. Walter, Jr.
Chester J. Krist	William J. White
William H. Macklin	Robert C. Whitebread
Robert T. Miller	

80TH CONGRESS
2D SESSION

H. R. 5770

IN THE HOUSE OF REPRESENTATIVES

MAY 28, 1948

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TREASURY DEPARTMENT

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department for the fiscal year ending June 30, 1949, namely:

OFFICE OF THE SECRETARY

Salaries: For personal services in the District of Columbia, $380,000: *Provided,* That no part of the money appro-

priated shall be used to pay the salaries of more than fifteen messengers assigned to duty in the Office of the Secretary.

Personal or property damage claims: For payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921), $30,000.

Penalty mail costs: For deposit in the Treasury for penalty mail of the Treasury Department (39 U. S. C. 321d), $5,900,000.

Refunds under Renegotiation Act: To enable the Secretary of the Treasury to make refunds required by section 403 (a) (4) (D) (relating to the recomputation of the amortization deduction) and by the last sentence of section 403 (i) (3) (relating to excess inventories) of the Renegotiation Act; and to refund any amount finally adjudged or determined to have been erroneously collected by the United States pursuant to a unilateral determination of excessive profits, with interest thereon (at a rate not to exceed 4 per centum per annum) as may be determined by the War Contracts Price Adjustment Board, such interest to be computed to the date of certification of the amount to the Treasury Department for payment; $2,000,000: *Provided*, That to the extent refunds are made from this appropriation of excessive profits collected under the Renegotiation Act and retained by the Reconstruction Finance Corporation or

any of its subsidiaries, the Reconstruction Finance Corporation or the appropriate subsidiary shall reimburse this appropriation: *Provided further*, That the War Contracts Price Adjustment Board or its duly authorized representatives shall certify the amount of any refunds to be made in pursuance hereof to the Secretary of the Treasury who shall make payment upon such certificate in lieu of any voucher which might otherwise be required.

DIVISION OF TAX RESEARCH

Salaries: For personal services in the District of Columbia, (1)~~$110,000~~ *$141,400*.

OFFICE OF GENERAL COUNSEL

Salaries: For personal services in the District of Columbia, (2)~~$225,000~~ *$250,000*.

Salaries and expenses, Office of Contract Settlement: For necessary expenses, including contract stenographic reporting services, to carry out the provisions of the Contract Settlement Act of 1944, $75,000.

DIVISION OF PERSONNEL

Salaries: For personal services in the District of Columbia, $120,000.

Health service programs, Treasury Department: For health service programs, as authorized by law (5 U. S. C. 150), for employees of the Department in the District of Columbia, $70,000: *Provided*, That other appropriations in

this Act shall be available for health service programs in the field.

OFFICE OF CHIEF CLERK

Salaries: For personal services in the District of Columbia, $300,000.

MISCELLANEOUS EXPENSES, TREASURY DEPARTMENT

Miscellaneous expenses: For necessary expenses of the Office of the Secretary and the bureaus and offices of the Treasury Department, not otherwise provided for, including operating expenses of the Treasury, Treasury Annex, Auditors', and Liberty Loan Buildings, and including not to exceed $25,000 for printing and binding and purchase of materials for the use of the bookbinder located in the Treasury Department; $240,000.

OFFICE OF SUPERINTENDENT OF TREASURY BUILDINGS

Salaries: For personal services in the District of Columbia, including the operating force of the Treasury Building, the Treasury Annex, the Liberty Loan Building, the Auditors' Building, and the west and south annexes thereof, $645,000.

FISCAL SERVICE

BUREAU OF ACCOUNTS

Salaries and expenses: For necessary expenses in the District of Columbia, including contract stenographic reporting services and not to exceed $50,000 for printing and

binding, $1,475,000: *Provided,* That from the amount appropriated herein, the Federal Reserve banks and their branches may be reimbursed for printing and binding and other necessary expenses incident to the deposit of withheld taxes in Government depositories pursuant to the Current Tax Payment Act of 1943.

Salaries and expenses: For necessary expenses of the Division of Disbursement, including personal services in the District of Columbia, and printing and binding, $10,000,000: *Provided,* That with the approval of the Bureau of the Budget there may be transferred to this appropriation from Railroad Retirement Board, "Conservation and use of agricultural land resources, Department of Agriculture," and from available corporate funds of Government-owned or -controlled corporations, such sums as may be necessary to cover the expense incurred in performing the function of disbursement therefor.

Contingent expenses, public moneys: For contingent expenses under the requirements of section 3653 of the Revised Statutes (31 U. S. C. 545), for the collection, safekeeping, transfer, and disbursement of the public money, transportation of notes, bonds, and other securities of the United States, transportation of gold coin and gold certificates transferred to Federal Reserve banks and branches, United States mints and assay offices, and the Treasury,

after March 9, 1933, actual expenses of examiners detailed to examine the books, accounts, and money on hand at the several depositories, including national banks acting as depositories under the requirements of section 3649, Revised Statutes (31 U. S. C. 548), also including examinations of cash accounts at mints, $375,000.

Recoinage of silver coins: For expenses necessary to continue the recoinage of worn and uncurrent subsidiary silver coins of the United States now in the Treasury or hereafter received, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coins and the amount the same will produce in new coins, $150,000.

Relief of the indigent, Alaska: For the payment to the United States district judges in Alaska (not to exceed 10 per centum of the receipts from licenses collected outside of incorporated towns in Alaska), to be expended for the relief of persons in Alaska who are indigent and incapacitated through nonage, old age, sickness, or accident, $18,000.

Refund of moneys erroneously received and covered: For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 18 of the Permanent Appropriation Repeal Act of 1934, approved June 26, 1934, and any other collections

erroneously received and covered which are not properly chargeable to any other appropriation, $700,000.

Payment of certified claims: For the payment of claims (not to exceed $500 in any case) which may be certified during the fiscal year 1949 by the Comptroller General of the United States to be lawfully due, within the limits of, and chargeable against the balances of the respective appropriations heretofore made which, after remaining unexpended, have been carried to the surplus fund pursuant to section 5 of the Act of June 20, 1874 (31 U. S. C. 713), $800,000.

Payment of unclaimed moneys: For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 17 of the Permanent Appropriation Repeal Act of 1934, approved June 26, 1934, payable from the funds held by the United States in the trust fund receipt account "Unclaimed moneys of individuals whose whereabouts are unknown", $100,000.

BUREAU OF THE PUBLIC DEBT

Administering the public debt: For necessary expenses connected with any public-debt operations authorized by the Second Liberty Bond Act, as amended (31 U. S. C. 760–762), and with the administration of any public debt or currency issues of the United States with which the Secretary of the Treasury is charged, including not to exceed

(3) ~~$3,750,000~~ *$4,658,100* for promoting the sale of savings bonds, (4) ~~$51,500,000~~ *$52,408,100*, to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided*, That from the amount appropriated herein, the Federal Reserve banks and their branches may be reimbursed for expenditures made by them as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury, and advances to the Postmaster General may be made in accordance with the provisions of section 22 (e) of the Second Liberty Bond Act, as amended (31 U. S. C. 757c (e)), which section shall be construed as applying to this appropriation: *Provided further*, That the indefinite appropriation provided by section 10 of the Second Liberty Bond Act, as amended, shall not be available for obligation during the fiscal year 1949.

Distinctive paper for United States currency: For distinctive paper for United States currency, including transportation of paper, traveling, mill, and other necessary expenses, and salaries of employees and allowance, in lieu of expenses, of officer or officers detailed from the Treasury Department, not exceeding $50 per month each when actually on duty, $1,300,000: *Provided*, That in order to foster competition in the manufacture of distinctive paper for United States

securities, the Secretary of the Treasury is authorized, in his discretion, to split the award for such paper for the fiscal year 1949 between the two bidders whose prices per pound are the lowest received after advertisement.

OFFICE OF THE TREASURER OF THE UNITED STATES

Salaries and expenses: For necessary expenses of the Office of the Treasurer, including not to exceed $100,000 for printing and binding, $4,980,000: *Provided,* That with the approval of the Bureau of the Budget, there may be transferred to this appropriation, from Railroad Retirement Board, "Conservation and use of agricultural land resources, Department of Agriculture," and from available corporate funds of Government owned or controlled corporations, such sums as may be necessary to cover the expenses incurred in the clearing of checks, servicing of bonds, handling of collections and rendering of accounts therefor.

BUREAU OF INTERNAL REVENUE

Salaries and expenses: For necessary expenses in connection with the assessment and collection of internal-revenue taxes and the administration of the internal-revenue laws, including the administration of such provisions of other laws as are authorized by or pursuant to law to be administered by or under the direction of the Commissioner of Internal Revenue, including one stamp agent (to be reimbursed by

the stamp manufacturers) and the employment of experts; the securing of evidence of violations of the Acts, the cost of chemical analyses made by others than employees of the United States and expenses incident to such chemists testifying when necessary; necessary expenses incurred in making investigations in connection with the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters, expenses of seizure and sale, and contract stenographic reporting services; for the acquisition of property under the provisions of title III of the Liquor Law Repeal and Enforcement Act, approved August 27, 1935 (49 Stat. 872–881), and the operation, maintenance, and repair of property acquired under such title III; purchase, for replacement (not to exceed three hundred and thirty-four) and hire of passenger motor vehicles, as follows: for personal services, (5)~~$168,736,000~~ *$179,266,000*, of which not to exceed (6)~~$16,000,000~~ *$16,530,000* may be expended for personal services at the seat of Government; and for objects of expenditure other than personal services, (7)~~$18,000,000~~ *$21,166,000*, including printing and binding (not to exceed (8)~~$2,400,000~~ *$2,576,500*), stationery (not to exceed (9)~~$1,400,000~~ *$1,500,000*), ammunition, and not to exceed (10)~~$100,000~~ *$500,000* for detecting and bringing to trial persons guilty of violating the internal-revenue laws or conniving at the same, including payments

for information and detection of such violation; in all for salaries and expenses, (11)~~$186,736,000~~ *$200,432,000* (12)*: Provided, That not to exceed $150,000 of the amount appropriated under this head for the fiscal year 1949 shall be available for expenses by contract or otherwise, of such management and operational studies as are necessary in the Bureau of Internal Revenue.*

Additional income tax on railroads in Alaska: For the payment to the Treasurer of Alaska of an amount equal to the tax of 1 per centum collected on the gross annual income of all railroad corporations doing business in Alaska, on business done in Alaska, which tax is in addition to the normal income tax collected from such corporations on net income, the amount of such additional tax to be applicable to general Territorial purposes, $4,500.

BUREAU OF NARCOTICS

Salaries and expenses: For expenses, including the securing of information and evidence, necessary to enforce sections 2550–2565; 2567–2571; 2590–2603; 3220–3228; 3230–3238 of the Internal Revenue Code; the Narcotic Drugs Import and Export Act, as amended (21 U. S. C. 171–184); the Act of June 14, 1930 (5 U. S. C. 282–282c and 21 U. S. C. 197–198) and the Opium Poppy Control Act of 1942 (21 U. S. C. Supp. V, 188–188n), including the employment of attorneys; services as authorized by sec-

tion 15 of the Act of August 2, 1946 (5 U. S. C. 55a); the costs of chemical analyses made by others than employees of the United States; cost incurred by officers and employees of the Bureau of Narcotics in the seizure, forfeiture, storage, and disposition of property under the Act of August 9, 1939 (49 U. S. C. 781–788), and the internal-revenue laws; hire of motor vehicles; purchase of arms and ammunition; in all, $1,450,000, including personal services in the District of Columbia and printing and binding; not exceeding $10,000 for the collection and dissemination of information and appeal for law observance and law enforcement, including cost of printing, and not exceeding $10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice.

BUREAU OF ENGRAVING AND PRINTING

For the work of engraving and printing, exclusive of repay work, United States currency and internal-revenue stamps, including opium orders and special-tax stamps required under the Act of December 17, 1914 (26 U. S. C. 1040, 1383), checks, drafts, and miscellaneous work, as follows:

Salaries and expenses: For the Director, two Assistant Directors, and other personal services in the District of Columbia, including wages of rotary press plate printers at per diem rates and all other plate printers at piece rates to

be fixed by the Secretary of the Treasury, not to exceed the rates usually paid for such work; and other necessary expenses, including engravers' and printers' materials and other materials, including distinctive and nondistinctive paper, except distinctive paper for United States currency and Federal Reserve bank currency; purchase of card and continuous form checks; equipment of, repairs to, and maintenance of buildings and grounds and minor alterations to buildings; periodicals, examples of engraving and printing, including foreign securities and stamps, and books of reference, not to exceed $500; traveling expenses not to exceed $15,000; printing and binding; transfer to the Bureau of Standards for scientific investigations in connection with the work of the Bureau of Engraving and Printing, not to exceed $15,000 (13) ~~$12,000,000~~ *$12,830,000*, to be expended under the direction of the Secretary of the Treasury.

During the fiscal year 1949 all proceeds derived from work performed by the Bureau of Engraving and Printing, by direction of the Secretary of the Treasury, not covered and embraced in the appropriations for such Bureau for such fiscal year, instead of being covered into the Treasury as miscellaneous receipts, as provided by the Act of August 4, 1886 (31 U. S. C. 176), shall be credited when received to the appropriations for such Bureau for the fiscal year 1949.

SECRET SERVICE DIVISION

Salaries and expenses, Secret Service: For expenses necessary in detecting, arresting, and delivering into the custody of the United States marshal or other officer having jurisdiction, dealers and pretended dealers in counterfeit money, persons engaged in counterfeiting, forging, and altering United States notes, bonds, national bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments (including endorsements thereon and assignments thereof), as well as the coins of the United States and of foreign governments, and persons committing other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control, and for the protection of the person of the President and the members of his immediate family and of the person chosen to be President of the United States, including personal services in the District of Columbia; purchase (not to exceed sixteen for replacement only) and hire of passenger motor vehicles; printing and binding; and purchase of arms and ammunition; $1,715,000: *Provided*, That of the amount herein appropriated not to exceed $15,000 may be expended, with the approval of the Chief of the Secret Service, for the purpose of securing information concerning violations of the laws relating to the Treasury

Department and for services or information looking toward the apprehension of criminals.

Salaries and expenses, White House Police: For salaries and expenses, including uniforms and equipment, purchase and repair of revolvers, and the purchase and issue of ammunition and miscellaneous supplies, to be purchased in such manner as the President may determine, $370,000.

Salaries and expenses, guard force, Treasury buildings: For expenses of the guard force for Treasury Department buildings in the District of Columbia, including the Bureau of Engraving and Printing, and elsewhere, including purchase, repair, and cleaning of uniforms, purchase of two passenger motor vehicles for replacement only, and the purchase of arms and ammunition and miscellaneous equipment, $645,000: *Provided,* That not to exceed $168,925 of the appropriation "Salaries and expenses, Bureau of Engraving and Printing", may be transferred to this appropriation to cover service rendered such Bureau in connection with the protection of currency, bonds, stamps, and other papers of value the cost of producing which is not covered and embraced in the direct appropriations for such Bureau: *Provided further,* That the Secretary of the Treasury may detail two agents of the Secret Service to supervise such force.

Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces:

For reimbursement to the District of Columbia on a monthly basis for benefit payments made from the revenues of the District of Columbia to members of the White House Police force and such members of the United States Secret Service Division as are entitled thereto under the Act of October 14, 1940 (54 Stat. 1118), to the extent that such benefit payments are in excess of the salary deductions of such members credited to said revenues of the District of Columbia during the fiscal year 1949, pursuant to section 12 of the Act of September 1, 1916 (39 Stat. 718), as amended, $84,600.

BUREAU OF THE MINT

Salaries and expenses: For necessary expenses at the mints at Philadelphia, Pennsylvania, San Francisco, California, and Denver, Colorado; the assay offices at New York, New York, and Seattle, Washington; the bullion depositories at Fort Knox, Kentucky, and West Point, New York; the Office of the Director of the Mint; and for carrying out the provisions of the Gold Reserve Act of 1934 and the Silver Purchase Act of 1934, including personal services in the District of Columbia, printing and binding, new machinery and repairs, arms and ammunition, purchase and maintenance of uniforms and accessories for guards, protective devices, and their maintenance, training of employees in use of firearms and protective devices, cases and enameling

for medals manufactured, net wastage in melting and refining and in coining departments, loss on sale of sweeps arising from the treatment of bullion and the manufacture of coins, not to exceed $1,000 for the expenses of the annual assay commission, and not exceeding $1,000 for the acquisition, at the dollar face amount or otherwise, of specimen and rare coins, including United States and foreign gold coins and pieces of gold used as, or in lieu of, money, and ores, for addition to the Government's collection of such coins, pieces, and ores; $4,500,000.

Transportation of bullion and coin: For transportation of bullion and coin, between mints, assay offices, and bullion depositories, $5,000, including compensation of temporary employees and other necessary expenses.

BUREAU OF FEDERAL SUPPLY

Salaries and expenses: For necessary expenses, including personal services in the District of Columbia and in the field service, office supplies and materials, stationery, fuel, light, electric current, and other expenses for carrying into effect regulations governing the procurement, warehousing, and distribution by the Bureau of Federal Supply of the Treasury Department of property, equipment, stores, and supplies in the District of Columbia and in the field, (14)~~$1,275,000~~ *$1,310,000*: *Provided*, That the Secretary

of the Treasury is authorized and directed to transfer to this appropriation from any appropriations or funds available to the several departments and establishments of the Government such amounts as may be approved by the Bureau of the Budget, not to exceed the sum of (a) the amount of the annual compensation of employees who may be transferred or detailed to the Bureau of Federal Supply, respectively, from any such department or establishment, where the transfer or detail of such employee is incident to a transfer of a function or functions to that Bureau and (b) such amount as the Bureau of the Budget may determine to be necessary for expenses other than personal services incident to the proper carrying out of functions so transferred: *Provided further,* That when there has been or shall be transferred from any agency of the Government to the Bureau of Federal Supply any function of warehousing, and the agency from which such function is being transferred is authorized at the time of such transfer to perform functions of procurement, warehousing, or distribution of property, equipment, stores, or supplies for non-Federal agencies the Bureau of Federal Supply is authorized to continue the performance of such functions for such non-Federal agencies where such functions are to be discontinued by the agency from which the warehousing function has been transferred, and the

receipts, including surcharge, for all issues to and all advances by all non-Federal agencies shall be credited to the general supply fund: *Provided further,* That payments to the general supply fund for materials, and supplies (including fuel), and services, and overhead expenses for all issues shall be made on the books of the Treasury Department by transfer and counterwarrants prepared by the Bureau of Federal Supply of the Treasury Department and countersigned by the Comptroller General, such warrants to be based solely on itemized invoices prepared by the Bureau of Federal Supply at issue prices to be fixed by the Director of Federal Supply: *Provided further,* That payments covering transactions between the Bureau of Federal Supply and field offices of other Government agencies whose detailed appropriation or fund accounts are maintained elsewhere than within the District of Columbia, may be made on the basis of itemized vouchers or invoices prepared by the Bureau of Federal Supply and sent through the appropriate field offices to the disbursing officers for the agencies involved, who are hereby authorized to make payment based (1) upon certification of the Bureau of Federal Supply, which shall include the specific statement that the vouchers are issued pursuant to and in conformity with purchase orders or requisitions duly executed by the agency billed, and (2) upon approval and certification of such vouchers by the agency billed, which

action shall be based upon acceptance of the Bureau of Federal Supply certification as made, subject to later adjustment if necessary, the responsibility of the certifying officer to be limited to the availability of the funds to be charged: *Provided further,* That the general supply fund may be used to purchase from or through the Public Printer standard forms and blank-book work for field warehouse stocking and issue, but issues thereof shall be made only to Government agencies and shall be chargeable to applicable appropriation authorizations or limitations of such agencies for printing and binding, and reports of such issues shall be made as the Public Printer may require: *Provided further,* That advances received pursuant to law (31 U. S. C. 686) from departments and establishments of the United States Government and the government of the District of Columbia during the fiscal year 1949 shall be credited to the general supply fund: *Provided further,* That per diem employees engaged in work in connection with operations of the fuel yards may be paid rates of pay approved by the Secretary of the Treasury not exceeding current rates for similar services in the District of Columbia: *Provided further,* That the term "fuel" shall be held to include "fuel oil": *Provided further,* That the reconditioning and repair of surplus property and equipment for disposition or reissue to Government service, may be made at cost by the Bureau of

Federal Supply, payment therefor to be effected by charging the proper appropriation and crediting the general supply fund.

Repairs to typewriting machines (except bookkeeping and billing machines) in the Government service in the District of Columbia and areas adjacent thereto may be made at cost by the Bureau of Federal Supply, payment therefor to be effected by charging the proper appropriation and crediting the general supply fund.

No part of any money appropriated by this or any other Act shall be used during the fiscal year 1949 for the purchase, within the continental limits of the United States, of any typewriting machines (except bookkeeping and billing machines and typewriting machines for veterans under public laws administered by the Veterans' Administration).

Each agency in the executive branch of the Government (which shall include all departments, independent establishments, and wholly owned Government corporations) is authorized and directed (1) to report within thirty days after the enactment of this Act, or by July 1, 1948, whichever is the later, to the Director of the Bureau of Federal Supply the total number of typewriting machines in the possession or custody of such agency and the number thereof surplus to its requirements, and (2) to surrender and ship such

surplus typewriting machines as the Director of the Bureau of Federal Supply may direct. Costs of packing and shipping hereunder shall be charged to the general supply fund. Each agency shall furnish the Director of the Bureau of Federal Supply such information regarding typewriting machines as he may from time to time request. The Bureau of Federal Supply is authorized and directed to receive and hold all typewriting machines surrendered to it hereunder and to distribute same to any of such agencies as the Director of the Bureau of Federal Supply may determine.

(15) ~~In the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters of special type out of stock on hand he may purchase such manually operated machines at the average list price of the industry less 30 per centum out of funds specifically appropriated for that purpose.~~ *In the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters out of stock on hand, he may purchase, out of funds specifically appropriated for that purpose, such machines at the lowest published retail list price for any such typewriters offered for sale to the Federal Government less 30 per centum, plus the amount of Federal excise tax applicable to the lowest published retail list price.*

The Director of the Bureau of Federal Supply is authorized and directed at such times as he may determine to be necessary to survey and determine the number and kinds of typewriters which are at any time surplus to the requirements of any agency. Upon such determination the Director of the Bureau of Federal Supply is authorized to direct, upon such notice and in such manner as he may prescribe, the head of any agency to surrender to the Bureau of Federal Supply any and all typewriting machines, surplus to its requirements, and such determination and direction by the Director of the Bureau of Federal Supply shall be final and conclusive upon all agencies, officers, and employees of the executive branch of the Government of the United States.

The Director of the Bureau of Federal Supply is authorized to charge each agency to which typewriting machines are supplied hereunder amounts equal to the fair value thereof, as determined by him, and such amounts shall be credited to the general supply fund.

(16) *General supply fund, Bureau of Federal Supply: To increase the general supply fund established by the Act approved February 27, 1929, as amended (41 U. S. C. 7c), $3,000,000.*

Printing and binding: For printing and binding for the Bureau of Federal Supply, including printed forms and mis-

cellaneous items for general use of the Treasury Department, the cost of transportation to field offices of printed and bound material and the cost of necessary packing boxes and packing materials, (17)~~$150,000~~ *$170,000*, together with not to exceed $30,000 to be transferred from the general supply fund, Treasury Department.

Net renegotiation rebates: For necessary expenses, including personal services in the District of Columbia, in connection with the processing and determination of net renegotiation rebates under section 403 (a) (4) (D) of the Renegotiation Act, $125,000.

No part of any appropriation or authorization in this Act shall be used to pay any part of the salary or expenses of any person whose salary or expenses are prohibited from being paid from any appropriation or authorization in any other Act.

This title may be cited as the "Treasury Department Appropriation Act, 1949".

TITLE II—POST OFFICE DEPARTMENT

The following sums are appropriated in conformity with 5 United States Code 361, 380; 39 United States Code 786, for the Post Office Department for the fiscal year ending June 30, 1949, namely:

POST OFFICE DEPARTMENT, WASHINGTON, DISTRICT OF COLUMBIA

OFFICE OF THE POSTMASTER GENERAL

Salaries: For the Postmaster General and other personal services in the office of the Postmaster General in the District of Columbia, including a health service program as authorized by law (5 U. S. C. 150), $395,000.

SALARIES IN BUREAUS AND OFFICES

For personal services in the District of Columbia in bureaus and offices of the Post Office Department in not to exceed the following amounts, respectively:

Office of Budget and Administrative Planning, $65,000.

Office of the First Assistant Postmaster General, $1,162,500.

Office of the Second Assistant Postmaster General, (18) ~~$928,000~~ *$968,000*.

Office of the Third Assistant Postmaster General, $1,350,000.

Office of the Fourth Assistant Postmaster General, (19) ~~$752,000~~ *$823,000*.

Office of the Solicitor for the Post Office Department, $250,000.

Office of the Chief Inspector, $405,000.

Office of the Purchasing Agent, $85,000.

Bureau of Accounts, (20)~~$485,000~~ *$525,000.*

CONTINGENT EXPENSES, POST OFFICE DEPARTMENT

For necessary, contingent and miscellaneous expenses not otherwise provided for; purchase and exchange of lawbooks and books of reference; newspapers; and travel expenses of the purchasing agent and of the solicitor and personnel connected with his office, not exceeding $2,100; (21)~~$160,000~~ *$184,300.*

For printing and binding for the Post Office Department and Postal Service, (22)~~$2,000,000~~ *$2,228,000.*

Appropriations hereinafter made for the field service of the Post Office Department, except as otherwise provided, shall not be expended for any of the purposes hereinbefore provided for on account of the Post Office Department in the District of Columbia: *Provided,* That necessary expenses of officials and employees of the Post Office Department and Postal Service, when traveling on official business, may be paid from the appropriations for the service in connection with which the travel is performed: *Provided further,* That appropriations hereinafter made, except such as are exclusively for payment of compensation, shall be available for expenses in connection with the examination of estimates for appropriations in the field including per diem allowances in lieu of actual expenses of subsistence: *And provided further,* That

the appropriations for the Post Office Department and the Postal Service shall be available for expenditures in connection with accident prevention, but no appropriation made for the field service shall be expended on account of the Post Office Department in the District of Columbia.

Field Service, Post Office Department

office of the postmaster general

Travel and miscellaneous expenses: For travel and miscellaneous expenses in the Postal Service, offices of the Postmaster General and Assistant Postmasters General, $3,000.

Damage claims: For the payment of claims for damages to persons or property occurring in the fiscal year 1949, or in prior fiscal years, pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921), and in accordance with the provisions of the Deficiency Appropriation Act, approved June 16, 1921 (5 U. S. C. 392), as amended by the Act approved June 22, 1934 (31 U. S. C. 224c), $175,000.

Adjusted losses and contingencies: To pay to postmasters, navy mail clerks, and assistant navy mail clerks, coast guard mail clerks, assistant coast guard mail clerks, army mail clerks, and assistant army mail clerks, or credit them with the amount ascertained to have been lost or destroyed during the fiscal year 1949, or prior

fiscal years, through unavoidable casualty resulting from no fault or negligence on their part, as authorized by the Act approved March 17, 1882, as amended by the Act approved December 7, 1945 (39 U. S. C. 49), $75,000.

OFFICE OF THE CHIEF INSPECTOR

Salaries of inspectors: For salaries of fifteen inspectors in charge of divisions and eight hundred inspectors, $4,350,000.

Travel and miscellaneous expenses: For necessary travel and miscellaneous expenses incurred in the operation of the post office inspection service, not to exceed $27,600 for chemical and other investigations, and not to exceed $500 for books of reference, $958,000.

Clerks: For compensation of not exceeding three hundred and eighty-nine clerks in the post office inspection service, $1,178,000.

Rewards: For payment of rewards for the detection, arrest, and conviction of post office burglars, robbers, highway mail robbers, and persons mailing or causing to be mailed any bomb, infernal machine, or mechanical, chemical, or other device or composition which may ignite, or explode, fiscal year 1949 and prior years, $55,000: *Provided*, That rewards may be paid in the discretion of the Postmaster General, when an offender of the classes mentioned was killed in the act of committing the crime or in resisting lawful arrest: *Provided*

further, That no part of this sum shall be used to pay any rewards at rates in excess of those specified in Post Office Department Order 28673, dated July 28, 1945: *Provided further,* That of the amount herein appropriated not to exceed $20,000 may be expended in the discretion of the Postmaster General, for the purpose of securing information concerning violations of the postal laws and for services and information looking toward the apprehension of criminals.

OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

Compensation to postmasters: For compensation to postmasters, including compensation as postmaster to persons who, pending the designation of an acting postmaster, assume and perform the duties of postmaster in the event of a vacancy in the office of postmaster of the third or fourth class, and to persons who perform the duties for postmasters of the fourth class absent on sick or annual leave or leave without pay, and for allowances for rent, light, fuel, and equipment to postmasters of the fourth class, $87,900,000.

Compensation to assistant postmasters: For compensation to assistant postmasters at first- and second-class post offices, (23) ~~$12,500,000~~ *$12,700,000.*

Clerks, first- and second-class post offices: For compensation to clerks and employees at first- and second-class post offices, including auxiliary clerk hire at summer and winter post offices, printers, mechanics, skilled laborers, watchmen,

messengers, mail handlers, and substitutes, and the maintenance of health service program as authorized by law (5 U. S. C. 150), $530,000,000.

Contract station service: For contract station service, $3,500,000.

Separating mails: For separating mails at fourth-class post offices, $180,000.

Unusual conditions: For unusual conditions at post offices, $25,000.

Clerks, third-class post offices: For compensation to clerks at third-class post offices, $25,500,000.

Miscellaneous items, first- and second-class post offices: For expenses necessary for the operation and protection of post offices of the first and second classes, and the business conducted in connection therewith, not provided for in other appropriations, $3,850,000.

Village delivery service: For village delivery service in towns and villages having post offices of the second or third class, and in communities adjacent to cities having city delivery, $300,000.

Detroit River service: For Detroit River postal service $12,750.

Carfare and bicycle allowance: For carfare and bicycle allowance, including special delivery carfare, cost of trans-

porting carriers by privately owned automobiles to and from their routes, at rates not exceeding regular streetcar or bus fare, and purchase, maintenance, and exchange of bicycles, (24)~~$2,800,000~~ *$3,000,000*.

City delivery carriers: For pay of letter carriers, city delivery service, and United States official mail and messenger service, $326,000,000.

Special delivery service: For compensation and fees to special delivery messengers, $16,000,000.

Rural delivery service: For pay for rural carriers, auxiliary carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, tolls and ferriage, and necessary expenses of the rural delivery service, $135,719,000, of which not less than $200,000 shall be available for extensions and new service.

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Star route service: For inland transportation by star routes, including temporary service to newly established offices, $25,501,000.

Powerboat service: For inland transportation by steamboat or other powerboat routes, including ship, steamboat, and way letters, $2,133,000.

Railroad transportation and mail messenger service: For inland transportation by railroad routes and for mail mes-

senger service, $165,881,000: *Provided,* That separate accounts be kept of the amount expended for mail messenger service.

Railway mail service, salaries: For fifteen general superintendents, fifteen assistant general superintendents, two assistant general superintendents at large, one hundred and twenty district superintendents, one hundred and twenty assistant district superintendents, and other employees in the railway mail service, $109,188,000.

Railway mail service, travel allowance: For travel allowance to railway postal clerks and substitute railway postal clerks, $5,237,000.

Railway mail service, travel expenses: For travel expenses of departmental officials and supervisory employees of the railway mail service, and railway postal clerks, $66,000.

Railway mail service, miscellaneous expenses: For necessary expenses of the railway mail service not provided for in other appropriations, $490,000.

Electric car service: For electric car service, $220,000.

Foreign mail transportation: For transportation of foreign mails, except by aircraft, (25)~~$23,842,000, including not to exceed $79,200 to cover the cost to the United States for maintaining sea post service on ocean steamships conveying mails to and from the United States~~ *$23,762,800*:

Provided, That not to exceed $12,500 is hereby made available for expenses of delegates designated from the Post Office Department by the Postmaster General to the Sixth Congress of the Postal Union of the Americas and Spain, The Executive and Liaison Commission and the Transit Commission of the Universal Postal Union, and the conference on revision of the 1929 "Prisoners of War" Convention, to be expended in the discretion of the Postmaster General and accounted for on his certificate, which certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended, which amount shall be available until December 31, 1949.

Balances due foreign countries: For balances due foreign countries, fiscal year 1949 and prior years, $3,000,000: *Provided,* That there shall be established immediately, by transfer of $5,000,000 from the appropriation for "Balances due foreign countries" for the fiscal year 1948, a revolving fund which shall be available without fiscal year limitation for advances to air carriers for the transportation of air mail from foreign countries to the United States as authorized by section 2 of the Act of July 27, 1940 (49 U. S. C. 485b), and payments hereafter received from foreign countries on account of air carriers for the transportation of air mail from foreign countries to the United States shall be credited to such fund.

Indemnities, international mail: For payment of limited indemnity for the injury or loss of international mail in accordance with convention, treaty, or agreement stipulations, fiscal year 1949 and prior years, (26)~~$15,000~~ *$20,000*.

Foreign air mail service: For transportation of foreign mails by aircraft, as authorized by law, (27)~~$19,500,000~~ *$26,583,000*.

Domestic air mail service: For expenses necessary for the inland transportation of mail by aircraft, as authorized by law, including not to exceed $176,000 for supervisory officials and clerks at field headquaters, $32,000,000.

OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

Stamps and stamped paper: For manufacture and distribution of stamps and stamped paper, and not to exceed $30,000 for compensation to employees and other necessary expenses of the United States Stamped Envelope Agency, $9,335,000.

Indemnities, domestic mail: For payment of indemnity for the injury or loss of domestic registered, insured, and collect-on-delivery mail, and for failure to remit collect-on-delivery charges, fiscal year 1949 and prior years, $3,775,000.

Unpaid money orders: For payment of domestic money orders after one year from the last day of the month of issue of such orders, $900,000.

OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

Miscellaneous supplies and equipment: For the purchase, manufacture, repair, and installation of necessary miscellaneous equipment and supplies for the Postal Service not provided for in other appropriations; for the purchase of atlases and geographical and technical works not to exceed $1,500; and not exceeding $191,400 for personal services, including salaries of fourteen traveling mechanicians; for rental of canceling machines and motors, mechanical mail-handling apparatus, and other labor-saving devices; and for travel expenses; (28)~~$7,158,000~~ *$8,158,000,* of which $400,000 shall be available exclusively for the purchase of modern mechanical postal devices, (29)~~and of which $100,000 shall be available exclusively for mechanizing devices for separation of mails~~ *and of which $50,000 shall be available exclusively for mechanizing devices for separation of mails, and $50,000 shall be available exclusively for the necessary research, and for the design, manufacture, and installation of pilot mail-sorting equipment, as recommended on page 73 of House Report Numbered 1656, Eightieth Congress, second session, and for the necessary supervision of the installation and operation of such equipment*: *Provided,* That the Postmaster General may authorize the sale to the public of post-route maps and rural-delivery maps (30)~~or blueprints~~ at the cost of printing and 10 per centum thereof added.

Equipment shops: For the purchase, manufacture, and repair of mail bags and other equipment for the postal service not provided for in other appropriations; necessary expenses for the operation, maintenance, and protection of the mail equipment shops building, grounds, and equipment, and a health service program as authorized by law (5 U. S. C. 150); (31) ~~$12,800,000~~ *$12,907,250*, of which not to exceed $1,255,000 may be expended for personal services in the District of Columbia and not exceeding $15,000 for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipments as may be required by other executive departments; and for services in Alaska, Puerto Rico, Hawaii, or other island possessions.

Rent, fuel, and utility services: For rent, light, power, fuel, and water, for first-, second-, and third-class post offices, and the cost of advertising for lease proposals for such offices, (32) ~~$14,500,000~~ *$15,000,000*.

Pneumatic tube service: For rental of not exceeding twenty-eight miles of pneumatic tubes, hire of labor, communication service, electric power, and other expenses for transmission of mail in the city of New York including the Borough of Brooklyn; and for rental of not exceeding two miles of pneumatic tubes, not including labor and power in operating the same, for the trans-

mission of mail in the city of Boston, Massachusetts; $740,000: *Provided,* That the Acts of April 21, 1902, May 27, 1908, and June 19, 1922 (39 U. S. C. 423), relating to contracts for the transmission of mail by pneumatic tubes or other similar devices shall not be applicable to the city of New York, and the provisions not inconsistent herewith of the Acts of April 21, 1902, and May 27, 1908 (39 U. S. C. 423), shall be applicable to the city of Boston.

Vehicle service: For the hire, purchase, maintenance, repair, and operation of vehicles for use in the collection, transportation, delivery, and supervision of the mail, including the repair of vehicles owned by, or under the control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the Postal Service; the rental of garage facilities; lease of quarters not exceeding a term of ten years for the housing of Government-owned motor vehicles, and including compensation to necessary employees in the motor vehicle service, (33) ~~$42,000,000~~ *$42,914,000*, of which $4,400,000 shall be available exclusively for the purchase of trucks: *Provided,* That the Postmaster General may purchase and maintain from this appropriation such tractors and trailer trucks as may be required in the operation of the vehicle service: *Provided further,* That no part of this appropriation shall be expended

for maintenance or repair of motor-propelled passenger-carrying vehicles for use in connection with the administrative work of the Post Office Department in the District of Columbia.

Transportation of equipment and supplies: For the transportation and delivery of equipment, materials, and supplies for the Post Office Department and Postal Service by freight, express, or motor transportation, and other incidental expenses, $1,000,000.

Operating force, public buildings: For compensation to employees in the custodial service, $44,600,000.

Operating supplies, public buildings: For necessary miscellaneous articles, services and supplies, including transportation thereof, required for the operation of completed and occupied public buildings and grounds operated by the Post Office Department, $7,320,000, which shall not be available for personal services except for work done by contract, or for temporary job labor under exigency not exceeding at one time the sum of $250 at any one building: *Provided,* That the Postmaster General is authorized to contract for telephone service in public buildings under his administration by means of telephone switchboards or equivalent telephone switching equipment jointly serving in each case two or more governmental activities, where he determines that joint service is economical and in the interest

of the Government, and to secure reimbursement for the cost of such joint service from available appropriations for telephone expenses of the bureaus and offices receiving the same.

Equipment, public buildings: For the procurement, including transportation, of furniture, carpets, safes, safe and vault protective devices, and repairs of same, for use in public buildings which are now, or may hereafter be, operated by the Post Office Department, $950,000: *Provided,* That excepting expenditures for labor for or incidental to the moving of equipment from or into public buildings, the foregoing appropriation shall not be used for personal services except for work done under contract or for temporary job labor under exigency and not exceeding at one time the sum of $100 at any one building: *Provided further,* That all furniture now owned by the United States in other public buildings or in buildings rented by the United States shall be used, so far as practicable, whether or not it corresponds with the present regulation plan of furniture.

Deficiency in postal revenues: If the revenues of the Post Office Department shall be insufficient to meet the appropriations made under title II of this Act, a sum equal to such deficiency in the revenues of such Department is hereby appropriated, to be paid out of any money in the Treasury not otherwise appropriated, to supply such deficiency in the revenues of the Post Office Department for

the fiscal year ending June 30, 1949, and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General.

During the fiscal year 1949, the Postmaster General shall make quarterly reports to the Senate and House Committees on Appropriations, showing for each quarter the amount paid from each appropriation for overtime, the number of employees receiving such overtime, and the number of hours of overtime worked by such employees, together with a statement as to the necessity for such overtime work.

(34) *Not to exceed 5 per centum of any appropriation for the Field Service, Post Office Department, may be transferred, with the approval of the Director of the Bureau of the Budget, to any other appropriation or appropriations under the same Service, but no appropriation shall be increased more than 10 per centum by such transfers.*

This title may be cited as the "Post Office Department Appropriation Act, 1949".

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or

is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

80TH CONGRESS
2D SESSION

H. R. 5770

AN ACT

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 28, 1948

Ordered to be printed with the amendments of the Senate numbered

disposal of surplus agricultural commodities, surplus food processed therefrom, and surplus cotton and woolen goods; requires that such policies be formulated to prevent surplus agricultural commodities or food products from being dumped on the market. Requires FWA to transfer to this Department without charge any such commodities when the Secretary determines it necessary in connection with price supports, etc.

Continues in the State Department the disposal of foreign excess property but requires that sales of agricultural commodities, food, or cotton or woolen goods must include a condition prohibiting importation into the U.S. unless the Secretary of Agriculture determines that such property is in short supply in this country.

Exempts various programs from operations under the bill, including price supports, grants to farmers, foreign aid, the school-lunch program, and stockpiling or critical materials. Makes the bill effective July 1, 1948.

14. UNRRA REPORT. Received from the President the 12th quarterly report of the operations of UNRRA for the period Apr. 1 to June 30, 1947 (H.Doc. 686) (pp. 7039, 7075).

15. POULTRY STAMP. Passed without amendment H.J.Res. 246, to authorize issuance of a commemorative stamp for the poultry industry (p. 7078).

16. LEGISLATIVE PROGRAM. The Daily Digest notes the following program: Thurs., S. 2655, Selective Service and Training Act; H.J.Res. 296, social-security status quo bill; and the legislative (H.R. 6500), Federal Security supplemental (H.R. 6355), and D.C. (H.R. 6430) appropriation bills (p. D576).

HOUSE

17. PENALTY MAIL. The Post Office and Civil Service Committee reported with amendment H.R. 6406, to provide procedures for the control of the use of penalty mail by Government departments and agencies (H.Rept. 2151) (p. 7072).

18. SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT. The Agriculture Committee reported with amendments H.R. 5154, to continue Federal administration of ACP (H.Rept. 2150) (pp. 7072-3).

19. INTERNATIONAL WHEAT AGREEMENT. Received from this Department a proposed bill to give effect to the international wheat agreement entered into by the U.S. and other countries, relating to the stabilization of supplies and prices in the international wheat market; to Banking and Currency Committee (p. 7072).

20. GOLDEN NEMATODE. The Agriculture Committee ordered reported (but did not actually report) S. 2137, to provide for the protection of potato and tomato production from the golden nematode (p. D579).

21. EMERGENCY POWERS. Received the conference report on H.R. 6659 (pp. 7068-9). As reported by the conferees the bill extends until June 30, 1949 certain allocation controls over tin, tin products, and antimony; import controls over fats and oils, rice and its products, nitrogen fertilizer, and pig tin; export priority controls over nitrogenous fertilizer materials and nitrogenous compounds; and export priority controls over other materials under certain conditions where the prompt export of such materials is in the national interest; and continues authority for allocation of transportation facilities from Feb. 28, 1949 to June 30, 1949. The bill also provides that 50% of the export requirements of nitrogenous fertilizer materials to nonoccupied areas shall be supplied out of nitrogenous fertilizer materials produced by plants operated by the Army, and authorizes the Army to produce sufficient nitrogenous fertilizer

materials to fill 50% of the export requirements. The bill would become effective May 31, 1948.

22. MILITARY FUNCTIONS APPROPRIATION BILL, 1949. Passed without amendment this bill, H.R. 6771 (pp. 7039-51). The Appropriations Committee reported the bill earlier in the day (H.Rept. 2135) (pp. 7036, 7072). The bill prohibits use of appropriations contained therein for the purchase of oleomargarine or butter substitutes for other than cooking purposes except under certain conditions, the purchase of foreign food and clothing except in certain circumstances, and payment of sugsidies on agricultural or other products; and provides for inspection service and instruction by USDA under "Incidental expenses of the Army."

23. NAVAL APPROPRIATION BILL, 1949. The Appropriations Committee reported this bill H.R. 6772 (H.Rept. 2136) (pp. 7038, 7072). The Committee report states that, in conformity with action on previous appropriation bills for 1949, the estimate for penalty mail has been omitted and that a bill to repeal the requirement for such payment "has been favorably reported to the House and it is anticipated that favorable action will be taken thereon."

24. LOANS. The Veterans' Affairs Committee reported with amendment H.R. 6635, to provide a secondary market for loans made under the Servicemen's Readjustment Act of 1944 (H.Rept. 2157) (p. 7072).

25. TREASURY-POST OFFICE APPROPRIATION BILL, 1949. House conferees were appointed on this bill, H.R. 5770 (p. 7052). Senate conferees were appointed May 28.

26. LANDS. Agreed to the Senate amendments to H.R. 5816, amending the act establishing the Theodore Roosevelt National Memorial Park, N.Dak., so as to add additional lands to the Park (p. 7057).

27. POSTAL SERVICE. The Post Office and Civil Service Committee reported H.R.6773, to provide an air parcel-post service (H.Rept. 2163) (p. 7073). Rep. Rees, Kans., explained the bill (p. 7070).

28. FOREIGN AID. Rep. Rankin, Miss., criticized proposed expenditures for "newspaper, magazine and movie propaganda to put the proposition /European Recovery Program/ over" (p. 7037).

Rep. Buffett, Nebr., claimed that proposed exports of tobacco under ERP will cause Turkey to lose a good portion of its tobacco market (pp. 7036-7).

Received from the President the 12th quarterly report of expenditures and operations under UNRRA (H.Doc. 686) (p. 7039).

29. EDUCATION. Rep. Harris, Ark., spoke in favor of Federal aid for education (p. 7039).

30. CLAIMS. Received from the President an appropriation estimate of $12,838,409.60 for the several executive departments and agencies to pay claims for damages, audited claims and judgments (H.Doc. 690) (p. 7072).

31. RELIEF. Received from the President a supplemental appropriation estimate of $600,000 for disaster relief (H.Doc. 691) (p. 7072).

32. SOCIAL SECURITY. The Ways and Means Committee reported without amendment H.R. 6777, to extend the coverage of the old-age and survivors insurance system, to increase certain benefits payable under such system, and for other purposes (H.Rept. 2168) (p. 7073).

my attention just a few hours ago when an employee in one of the departments downtown called my attention to the fact that they had been ordered to take 21 employees off the roll in order to meet the amount of the cut in appropriations. They have cut 21, all low-salaried people, off the pay rolls, but discharged no one in the higher brackets. They are still there; all the 7, 8, 9, and 10-thousand-dollar people are there, but the little three and four thousand-dollar people, the ones who really do most of the work, they are the ones they are going to release.

Mr. MUHLENBERG. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished gentleman from Pennsylvania.

Mr. MUHLENBERG. Under the efficiency-rating system a man's salary and importance depends upon the number of people he has underneath him. It is not therefore to his advantage to release the lower-bracket people because by so doing their own efficiency rating changes.

Mr. REES. That is a matter that has been the subject of study in our committee for some time and we have been trying to devise means of dealing with the practice to which the gentleman calls attention; that is to say, that an individual gets credit according to the number of people working under him. We expect to make a report to the House on that subject within a short time.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished gentleman from Kansas.

Mr. SCRIVNER. I was just going to ask the gentleman what hope we have of remedying some of the conditions he has pointed out; whether we can hope to see the situation cleared up.

Mr. REES. The House Committee on the Post Office and Civil Service hopes it may have the assistance and cooperation of the Committee on Appropriations and the House in carrying out recommendations that will be made to this House within the next few weeks in the matter of personnel.

Mr. SCRIVNER. I can assure the gentleman as one member of the Committee on Appropriations that if the Civil Service Committee will bring in some bills that will correct some of these abuses I will certainly be glad to support them.

Mr. REES. The difficulty faced by a legislative committee is to bring out a bill that will fit conditions generally in all departments and also meet such conditions as were brought to the attention of the House by the gentleman from Michigan.

We are anxious to deal as constructively, as well as effectively with the problem. I might add that we are disappointed in that, in far too many cases we do not have the cooperation and assistance from Department and Agency heads to which we are entitled in dealing with this important problem of personnel.

Mr. ENGEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the distinguished gentleman from Michigan.

Mr. ENGEL of Michigan. If this bill becomes law in its present form we will have a double safeguard. We will have the safeguard of earmarking funds so they can be spent for nothing but personnel. In other words, there is no inducement for any department to come in and increase its personnel budget, for they will not be allowed to use the personnel under the Rees law and the Byrd law, nor can they transfer money from personnel funds for use for other purposes. The investigators we have in the War Department and the Air Force inform me that the Rees law and the Byrd law were very, very effective in reducing the number of personnel in the various departments.

Mr. REES. I appreciate the gentleman's statement.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

(Mr. REES asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read the bill.

Mr. ENGEL of Michigan (interrupting reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Are there any points of order on the bill? [After a pause.] The Chair hears no response. Are there any amendments to the bill?

Mr. ENGEL of Michigan. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. HERTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6771) making appropriations for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1949, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. ENGEL of Michigan. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MAHON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 348, nays 2, not voting 81, as follows:

[Roll No. 88]

YEAS—348

Abbitt	Davis, Ga.	Jensen
Abernethy	Davis, Tenn.	Johnson, Calif.
Albert	Davis, Wis.	Johnson, Ind.
Allen, Calif.	Dawson, Utah	Jones, Ala.
Allen, Ill.	Deane	Jones, N. C.
Allen, La.	Delaney	Jones, Wash.
Andersen, H. Carl	Devitt	Jonkman
	D'Ewart	Judd
Andresen, August H.	Dingell	Karsten, Mo.
	Domengeaux	Kean
Andrews, Ala.	Dondero	Keating
Andrews, N. Y.	Donohue	Keefe
Angell	Doughton	Kelley
Arends	Douglas	Keogh
Arnold	Eaton	Kerr
Auchincloss	Eberharter	Kersten, Wis.
Bakewell	Ellis	Kilburn
Banta	Ellsworth	Kilday
Barrett	Elsaesser	Kirwan
Bates, Ky.	Elston	Klein
Bates, Mass.	Engel, Mich.	Kunkel
Battle	Evins	Landis
Beall	Fallon	Lanham
Beckworth	Feighan	Larcade
Bell	Fellows	Latham
Bennett, Mich.	Fenton	Lea
Bennett, Mo.	Flannagan	LeCompte
Bishop	Fletcher	LeFevre
Blackney	Folger	Lemke
Bland	Foote	Lesinski
Blatnik	Forand	Lewis, Ky.
Bloom	Fulton	Lewis, Ohio
Boggs, Del.	Gallagher	Lichtenwalter
Boggs, La.	Gamble	Lodge
Bolton	Garmatz	Love
Bonner	Gary	Lucas
Boykin	Gathings	Lyle
Bradley	Gavin	McConnell
Bramblett	Gearhart	McCormack
Brehm	Gillette	McCowen
Brooks	Gillie	McCulloch
Brophy	Goff	McDonough
Brown, Ga.	Goodwin	McDowell
Brown, Ohio	Gordon	McGarvey
Bryson	Gore	McGregor
Buchanan	Gorski	McMahon
Buck	Gossett	McMillan, S. C.
Buffett	Graham	McMillen, Ill.
Bulwinkle	Granger	Mack
Burke	Grant, Ala.	MacKinnon
Burleson	Grant, Ind.	Macy
Busbey	Gregory	Madden
Butler	Griffiths	Mahon
Byrne, N. Y.	Gross	Maloney
Byrnes, Wis.	Gwinn, N. Y.	Manasco
Camp	Hagen	Mansfield
Canfield	Hale	Martin, Iowa
Cannon	Hall, Leonard W.	Mason
Carroll		Mathews
Carson	Halleck	Meade, Ky.
Case, N. J.	Hand	Meade, Md.
Case, S. Dak.	Hardy	Merrow
Celler	Harris	Meyer
Chadwick	Harrison	Michener
Chelf	Hart	Miller, Conn.
Chenoweth	Harvey	Miller, Md.
Church	Havenner	Miller, Nebr.
Clason	Hays	Mills
Clevenger	Hébert	Mitchell
Coffin	Hedrick	Morgan
Cole, Kans.	Herter	Morris
Cole, Mo.	Heselton	Morrison
Cole, N. Y.	Hess	Morton
Colmer	Hill	Muhlenberg
Cooley	Hinshaw	Multer
Corbett	Hoeven	Murdock
Cotton	Hoffman	Murray, Tenn.
Coudert	Holmes	Murray, Wis.
Courtney	Horan	Nicholson
Cox	Huber	Norblad
Cravens	Hull	Norrell
Crawford	Jackson, Calif.	Norton
Crosser	Jackson, Wash.	O'Brien
Crow	Jarman	O'Hara
Cunningham	Jenison	Pace
Curtis	Jenkins, Ohio	Passman
Dague	Jennings	Patman

Patterson	Rockwell	Stratton
Peden	Rogers, Fla.	Sundstrom
Peterson	Rogers, Mass.	Taber
Philbin	Rohrbough	Talle
Phillips, Calif.	Rooney	Taylor
Phillips, Tenn.	Ross	Thomas, Tex.
Pickett	Russell	Tibbott
Plocser	Sabath	Trimble
Poage	Sadlak	Vail
Potter	Sadowski	Van Zandt
Potts	St. George	Vinson
Poulson	Sanborn	Vorys
Preston	Sarbacher	Vursell
Price, Fla.	Sasscer	Walter
Price, Ill.	Schwabe, Mo.	Welchel
Priest	Schwabe, Okla.	Welch
Rains	Scott,	Wheeler
Ramey	Hugh D., Jr.	Whitten
Rankin	Scrivner	Wigglesworth
Rayburn	Seely-Brown	Williams
Redden	Shafer	Wilson, Ind.
Reed, Ill.	Smith, Kans.	Wilson, Tex.
Reed, N. Y.	Smith, Va.	Winstead
Rees	Smith, Wis.	Wolcott
Reeves	Snyder	Wolverton
Regan	Somers	Wood
Rich	Spence	Woodruff
Richards	Stanley	Worley
Riehlman	Stefan	Youngblood
Rivers	Stevenson	
Rizley	Stockman	

NAYS—2

Isacson Marcantonio

NOT VOTING—81

Anderson, Calif.	Hendricks	Pfeifer
Barden	Hobbs	Plumley
Bender	Holifield	Powell
Buckley	Hope	Riley
Chapman	Javits	Robertson
Chiperfield	Jenkins, Pa.	Scoblick
Clark	Johnson, Ill.	Scott, Hardie
Clippinger	Johnson, Okla.	Sheppard
Combs	Johnson, Tex.	Short
Cooper	Kearney	Sikes
Dawson, Ill.	Kearns	Simpson, Ill.
Dirksen	Kee	Simpson, Pa.
Dolliver	Kefauver	Smathers
Dorn	Kennedy	Smith, Maine
Durham	King	Smith, Ohio
Elliott	Knutson	Stigler
Engle, Calif.	Lane	Teague
Fernandez	Ludlow	Thomas, N. J.
Fisher	Lusk	Thompson
Fogarty	Lynch	Tollefson
Fuller	Miller, Calif.	Towe
Gwynne, Iowa	Monroney	Twyman
Hall,	Mundt	Wadsworth
Edwin Arthur	Nixon	West
Harless, Ariz.	Nodar	Whitaker
Harness, Ind.	O'Konski	Whittington
Hartley	O'Toole	
Heffernan	Owens	

So the bill was passed.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Hope with Mr. Teague.

Mr. Kearney with Mr. Pfeifer.

Mr. Anderson of California with Mr. Holifield.

Mr. Scott, Hardie, with Mr. Miller of California.

Mrs. Smith of Maine with Mr. King.

Mr. Towe with Mr. Lane.

Mr. Thomas of New Jersey with Mr. Kennedy.

Mr. Short with Mr. Chapman.

Mr. Simpson of Pennsylvania with Mr. Kefauver.

Mr. Knutson with Mrs. Douglas.

Mr. Jenkins of Pennsylvania with Mr. Cooper.

Mr. Chiperfield with Mrs. Lusk.

Mr. Dolliver with Mr. Klein.

Mr. Mundt with Mr. Buckley.

Mr. Nodar with Mr. Fogarty.

Mr. Wadsworth with Mr. Riley.

Mr. Plumley with Mr. Sikes.

Mr. Owens with Mr. Stigler.

Mr. Bender with Mr. Whitaker.

Mr. Kearns with Mr. Heffernan.

Mr. Hall, Edwin Arthur, with Mr. Lynch.

Mr. Simpson of Illinois with Mr. Fernandez.

Mr. Smith of Ohio with Mr. Smathers.

Mr. Gwynne of Iowa with Mr. O'Toole.

Mr. Harness of Indiana with Mr. Clark.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

TREASURY-POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1949

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5770), making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. CANFIELD, DIRKSEN, GRIFFITHS, SCHWABE of Oklahoma, GARY, BATES of Kentucky, and JACKSON of Washington.

EXTENSION OF REMARKS

Mrs. NORTON asked and was given permission to extend her remarks in the RECORD and include an article by Doris Fleeson appearing in the Washington Star of yesterday.

Mr. SCRIVNER asked and was given permission to revise and extend the remarks he made earlier in the day in Committee on the military appropriation bill.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD on three subjects.

Mr. EBERHARTER asked and was given permission to extend his remarks in the Appendix of the RECORD and include two editorials and one article.

Mr. BLATNIK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Minneapolis Tribune.

Mr. BAKEWELL asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the St. Louis Post-Dispatch.

LEWIS PETERS

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill (H. R. 403) for the relief of Lewis and Louise Peters be restored to the Private Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EXTENSION OF REMARKS

Mr. COLE of New York asked and was given permission to extend his remarks in the RECORD.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include an article appearing in the American Bar Association Journal.

WOMEN'S ARMED SERVICES INTEGRATION ACT OF 1948

Mr. SHAFER. Mr. Speaker, I call up the conference report on the bill (S. 1641) to establish the Women's Army Corps in the Regular Army, to authorize the enlistment and appointment of women in the Regular Navy and Marine Corps and the Naval and Marine Corps Reserve, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 26, 1948.)

Mr. SHAFER. Mr. Speaker, the conferees on S. 1641 have agreed to the proposition that women should be authorized to be enlisted or appointed in the Regular Army, Navy, Marine Corps, and Air Force.

The net effect of the conference report is that women will become a part of the Regular Military Establishment. They will have practically the same career opportunities and retirement privileges as do males. They will be entitled to all the benefits and privileges of Regular male personnel.

The reason for the long conference report and the complicated statement of managers is due to the fact that the House struck out of the Senate bill all provisions making reference to women in the Regular services. By agreeing to permit women to become a part of the Regular services it was necessary to accept the Senate version of the bill. However, subsequent to the passage in the Senate of S. 1641, the Congress passed and the President signed the Officer Personnel Act of 1947 and the National Security Act. As a result many modifications in the Senate bill were necessary to bring S. 1641 into line with those laws.

Thus the conference report before you involves, to a very large extent, provisions of law with respect to the appointment and commissioning of women as officers in the Regular services. This, in turn, involves many complex problems of integration, selection, and retirement. These features are similar to those found in the Officer Personnel Act of 1947.

The House conferees insisted upon a compromise, however, which has the effect of limiting, for the next 2 years, the number of women officers and enlisted personnel who may become a part of the Regular Establishment. This does not preclude the services from making use of as many Reserves as they have appropriations for. But it was done to make the ratio of integration of women officers somewhat similar to that which prevailed in the integration of male officers.

	Officers	Warrant officers	Enlisted
Army	500	75	7,500
Navy	500	20	6,000
Air Force	300	40	4,000
Marine Corps	100	10	1,000

After 2 years the services will be permitted to enlist or appoint women in the Regular services up to 2 percent of their authorized strengths. This would per-

DIGEST OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 7, 1948
For actions of June 4, 1948
80th-2nd, No. 101

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HIGHLIGHTS: House passed foreign-aid appropriation bill. House sent agricultural appropriation bill to conference. House Rules Committee cleared price-support bill. House committee reported Science Foundation bill. Senate committee reported bill to establish Government cafeterias corporation. Senate agreed to conference report on bill extending certain allocation and export-import controls. Senate committees approved bills to increase farm-tenant-loan interest rates, transfer alcohol plants to USDA, and authorize certain CCC sugar-producer claims.

HOUSE

1. FOREIGN-AID APPROPRIATIONS. Passed with amendments H. R. 6801, the 1949 foreign-aid Appropriation Bill (pp. 7335-86). The resolution providing for consideration of the bill was agreed to by a 329-22 vote (p. 7340).

   Agreed to the following amendments:
   By Rep. Andersen, Minn., limiting the amount which may be spent for farm machinery from these appropriations to $50,000,000 (pp. 7374-7).
   By Rep. Murray, Wis., providing that at least $65,000,000 of these appropriations be spent for acquiring in the U. S. nonfat dry milk solids, by a 61-58 vote (p. 7381).
   Clarifying amendments by Reps. Taber and Judd (pp. 7380, 7384).

   Rejected the following amendments:
   By Rep. Dirksen, Ill., to provide that the ERP funds be available for a year instead of 15 months, by a 113-148 vote (pp. 7363-71).
   By Rep. Celler, N. Y., prohibiting these funds from being provided to Britain, by a 12-145 vote (pp. 7377-80).
   By Rep. Hope, Kans., to amend the provision that none of the funds be used to purchase goods at more than the market price except those commodities in possession of CCC and which have been acquired under the Steagall amendment. The proposed amendment, which was defeated 59-69, would have made this exception applicable to "any price support or stabilization

program" which might take the place of the Steagall amendment. (p. 7381.)
Rejected a motion, by Rep. Cannon, Mo., to recommit the bill with instructions that it be reported with the Dirksen amendment (p. 7386).

2. AGRICULTURAL APPROPRIATION BILL. Agreed, 204-140, without amendment to H. Res. 624, providing for a conference on this bill, H. R. 5883. Reps. Dirksen, Plumley, Andersen, Horan, Phillips, Cannon, Sheppard, and Whitten were appointed conferees. (pp. 7328-33.) Senate conferees were appointed May 25.

3. FERTILIZER. Rep. Brown, Ga., discussed the provisions of H. R. 6659 (emergency-powers continuation) regarding fertilizer materials (p. 7328).

4. LEGISLATIVE APPROPRIATION BILL. House conferees were appointed on this bill, H. R. 6500 (p. 7331). Senate conferees were appointed June 3.

5. HEALTH. Received the conference report on S. J. Res. 98, providing for U. S. participation in the World Health Organization (p. 7335).

6. TREASURY-POST OFFICE APPROPRIATION BILL. Received the conference report on this bill, H. R. 5770 (pp. 7386-8). The conferees agreed to $1,275,000 for Bureau of Federal Supply (House figure; Senate figure, $1,310,000); agreed to the Senate amendment providing funds to increase the general supply fund, but reduced the Senate figure from $3,000,000 to $1,500,000. The provision on typewriter purchases was reported in disagreement.

7. ALASKA DEVELOPMENT. Received from FWA a proposed bill "to authorize a program of useful public works for the development of the Territory of Alaska"; to Public Lands Committee (p. 7392).

8. PERSONNEL. The Post Office and Civil Service Committee submitted a report on "organization functions and relative costs of personnel officers" (H. Rept. 2198)(p. 7392).

9. PRICE SUPPORTS. The Rules Committee reported a resolution for consideration of H. R. 6248, to continue and amend the price-support program (p. 7341).

10. DISPLACED PERSONS. The Rules Committee reported a resolution for consideration of H. R. 6396, to permit entry into the U. S. of displaced persons (p. 7392).

11. PUBLIC LANDS. The Public Lands Committee reported with amendment H. R. 5555, to amend the act of 1938 providing for purchase of public lands for home and other sites (H. Rept. 2212)(p. 7392).

12. SCIENCE FOUNDATION. The Interstate and Foreign Commerce Committee reported with amendments H.R.6007, to create a National Science Foundation(H.Rept.2223)(p.7393).

13. TRAVEL. The Interstate and Foreign Commerce Committee reported without amendment H. R. 6136, to amend the act authorizing Interior to encourage travel in the U. S. (H. Rept. 2221)(p. 7393).

14. The Rules Committee reported a resolution for consideration of S. 418, to provide for WATER POLLUTION control (p. 7393).

15. INDIAN RELIEF. The Public Lands Committee reported without amendment H. R. 6660, to improve conditions among the Navajo Indians (H. Rept. 2212)(p. 7392).

Mr. CASE of South Dakota. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from South Dakota [Mr. CASE] is recognized for 1½ minutes.

Mr. CASE of South Dakota. Mr. Chairman, this provision applies to the so-called GARIOA appropriation, that is the funds expended for Government relief in occupied areas.

This bill carries $1,250,000,000 for Government relief in occupied areas which is entirely distinct from the military appropriations for the Army in these areas. This deals with the economic program of assistance to the occupied areas. It comes under no congressional review today whatsoever. The only place it is ever reviewed is when this question of appropriations comes up. The economic policies followed by the military government in Germany determine the rate of recovery in Germany.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. No; I have only a minute and a half.

And it should be remembered that the occupied countries do come under ECA as far as their rehabilitation programs are concerned; they tie in with the economic features of the GARIOA funds, the pure relief program, required under the occupation.

So the committee felt the economic programs in the occupied countries should be supervised together; indeed it would be difficult to say the so-called watch-dog committee should look at the ECA funds in Germany and not look at the GARIOA funds, both being used for wheat or fats or fertilizer, and so forth.

And the operations of the military government as distinguished from the army of occupation—the military government that is operating the policies and the economies of Japan, Korea, and Germany, should come under congressional review.

So we provided that the joint congressional committee which the Congress set up to supervise the ECA program also have an opportunity to look at what the military government is doing in the same field in the same country. It is a bipartisan committee. It represents both bodies of the Congress. That certainly is a fair proposition and it ought to stay in the bill.

The amendment should be voted down.

The CHAIRMAN. The question is on the amendment.

Mr. SADOWSKI. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SADOWSKI. Time limit for debate on amendments to the bill was fixed at 30 minutes. Three or four amendments have been ruled out of order and on some amendments there was no debate at all. There should be about 12 minutes, according to the time table, left under the original motion of limitation.

How will that extra time be divided?

The CHAIRMAN. In accordance with the request put by the Chair when the Chair said there were nine amendments pending at the desk, a minute and a half was allowed for and a minute and a half against each of the nine amendments.

Mr. SADOWSKI. We have about 12 minutes left.

The CHAIRMAN. There will be no time left.

Mr. SADOWSKI. There should be time left under the original 30-minute limitation.

The CHAIRMAN. But subsequently the Committee agreed to the suggestion made by the Chair and there was no objection.

The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

The CHAIRMAN. The Clerk will report the next amendment offered by the gentleman from Pennsylvania, [Mr. FULTON].

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 8, line 14, strike out the colon and the remainder of the sentence to the period on line 20.

Mr. FULTON. Mr. Chairman, I can explain this very quickly. This is an important amendment that affects displaced persons' camps.

As chairman of the subcommittee of the Foreign Affairs Committee on Displaced Persons I wish to report that our members, the gentleman from New York, Congressman PFEIFER, the gentleman from Kentucky, Congressman CHELF, the gentleman from New York, Congressman JAVITS, and myself, went all over the displaced persons' camps in Europe this last fall. I want to point out to the Committee that the section reads:

None of the funds appropriated herein shall be available for contribution to the IRO until such time as there are effective agreements—

And so forth. It does not say by whom the agreements shall be effected, whether by the IRO or by military authorities or by the participating countries. Also there are DP's all over the world in countries that are not participating countries, and some are in Trieste which is certainly not a country but a city. In addition the various zones in the same country are on different calorie levels, for example, the British and American zones in Germany.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. VORYS. Is it not true that this language which the gentleman would strike out would force the United States to violate an international organization of which it is a member and violate the agreement it has made with this international organization?

Mr. FULTON. That is right.

Mr. VORYS. It certainly is a very stupid way to attempt to legislate on an appropriation bill to require a unilateral violation of the provisions of an international agreement in which we have taken part.

I hope the amendment is adopted.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. JAVITS. Is it not a fact that the agreement also provides for children, the infirm, and the sick, and aged?

Mr. FULTON. Yes, there are various categories of persons such as you have mentioned who are on a different calory level than the ordinary person. An additional classification are people doing heavy work. The provision as now written is unworkable, as who can set the calory level prevailing in the country in which such camps are located, when the country is China. Also this method of drafting the provision would cut off all voluntary American charities and just wait until they realize the scope of what you are doing. American charitable organizations, wake up and make your protests heard.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Time has been fixed by the committee.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. NICHOLSON. I object.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania. The amendment offered by the gentleman would continue this distressing condition that exists in the DP camps, where they have two to three or four times the calory rations that exist in the communities outside of the DP camps. This has resulted in the complete demoralization of those people, and, instead of getting out of there as fast as they can, they stay in. This makes for a very bad situation and creates a terrible feeling in places where the camps exist. I saw that myself, and I feel it is a situation that is crying aloud for correction.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. FULTON. May I rebut what the gentleman said that they have double the calories. In Germany they have 1,550 calories as the basic ration. These people get that. Then the Army supplies them up to 2,000 calories. But the way you have drawn it here you cannot tell what the calories are, because you say, "In a country where they are." Now, there are displaced people in China, there are displaced people in Africa, there are displaced people in military zones and in the city of Trieste. They are not included the way you have it.

Mr. TABER. What we need to do is to get them to move out of those camps.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 37, noes 102.

So the amendment was rejected.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON:

On page 9, line 5, strike out all after the comma down through the colon in line 9.

Page 9, line 19, strike out all of line 19 down to the colon in line 23.

Mr. FULTON. Mr. Chairman, this amendment strikes out the provision that requires a member of a labor organization to be kept off the pay roll under this act, if the officers of that union have not complied with the affidavit provisions of the Taft-Hartley bill. I never did like the provisions of that affidavit because I think it is a restriction on the freedom of speech and civil liberties of the American people and, secondly, I am sure they do not have people in Russia who are required to sign affidavits that they are not Americans. It is reducing the dignity of this Government to require it, and is probably unconstitutional.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The amendment was rejected.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for 1 minute to announce the program for next week because after the vote many Members will be leaving.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Chairman, upon conclusion of the consideration of the bill this evening it is our purpose to adjourn until Monday.

Monday is District day and I understand there are a number of bills from the District Committee to be considered.

A rule has been granted on H. R. 6396, the displaced persons bill, which will be called up and debate started as soon as the bills on the District Calendar have been disposed of on Monday.

On Tuesday we will call the Consent Calendar, the Private Calendar, the omnibus bill, which contains certain private bills, the Railroad Retirement Act under suspension of the rules, and then will continue with H. R. 6396, the displaced-persons bill. It is probable that on that day we will plan to come in early. However, on Monday, we will come in at 12 o'clock.

Wednesday we hope to have ready for consideration the independent offices appropriation bill. That will be followed by H. R. 6248, a bill to extend the farm program, reported by the Committee on Agriculture.

Then for the balance of the week, if rules are granted, we plan to take up H. R. 6263, extension of commodity credit; H. R. 6401, selective service; H. R. 6777, extension of social security; H. R. 6712, revision of the Internal Revenue Code, and H. R. 6227, home rule for the District of Columbia.

Those bills will not necessarily be called in that order. There are some other rules outstanding which may be called for the purpose of expediting the business of the House.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COLE of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6801) making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes, pursuant to House Resolution 633, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. CANNON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CANNON. I am, Mr. Speaker, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CANNON moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment: Page 2, line 1, strike out "June 30" and insert in lieu thereof "April 3."

Mr. TABER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. CANNON. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

TREASURY-POST OFFICE APPROPRIATION BILL, 1949

Mr. TABER. Mr. Speaker, I ask unanimous consent that the conferees on the Treasury-Post Office appropriation bill may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5770) "making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 14.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 6, 8, 9, 10, 17, 18, 19, 25, 29 and 30, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$125,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$4,250,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$52,000,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$174,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$19,584,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$193,584,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$12,500,000"; and the Senate agree to the same.

Amendment Numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$1,500,000"; and the Senate agree to the same.

Amendment Numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$505,000"; and the Senate agree to the same.

Amendment Numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$172,150"; and the Senate agree to the same.

Amendment Numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$2,114,000"; and the Senate agree to the same.

Amendment Numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment, insert the following: "$12,600,000"; and the Senate agree to the same.

Amendment Numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$2,900,000"; and the Senate agree to the same.

Amendment Numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$17,500"; and the Senate agree to the same.

Amendment Numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$23,042,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$7,658,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$12,853,625"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$14,750,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$42,457,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 12, 15, and 34.

GORDON CANFIELD,
EVERETT M. DIRKSEN,
P. W. GRIFFITHS,
GEO. B. SCHWABE,
J. VAUGHAN GARY,
JOE B. BATES,
HENRY M. JACKSON,
Managers on the Part of the House.

GUY CORDON,
CLYDE M. REED,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
CARL HAYDEN,
KENNETH MCKELLAR,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommend in the accompanying conference report as to each of such amendments, namely:

TITLE I. TREASURY DEPARTMENT

Amendment No. 1 appropriates $125,000 for the Division of Tax Research, instead of $110,000 as proposed by the House and $141,400 as proposed by the Senate.

Amendment No. 2 appropriates $250,000 for the Office of the General Counsel, as proposed by the Senate.

Amendment No. 3 authorizes $4,250,000 for promoting the sale of savings bonds, instead of $3,750,000 as proposed by the House and $4,658,100 as proposed by the Senate.

Amendment No. 4 appropriates $52,000,000 for administering the public debt, instead of $51,500,000 as proposed by the House and $52,408,100 as proposed by the Senate.

Amendment No. 5 appropriates $174,000,000 for personal services in the Bureau of Internal Revenue, instead of $168,736,000 as proposed by the House and $179,266,000 as proposed by the Senate. In approving for the Bureau of Internal Revenue funds additional to the amount requested in the original Budget for 1949, it is the intention of the managers on the part of the two Houses that the Secretary of the Treasury apply these additional funds for upgrading essential positions in field enforcement activities and for the employment of additional qualified enforcement personnel. The Secretary of the Treasury should report to the Congress at the beginning of the next session as to the progress made, including detailed information as to the success of the Bureau of Internal Revenue in recruiting competent persons in order that this program may be reviewed at the earliest moment in the 81st Congress, 1st session, and a decision reached as to whether and the extent to which the program should be enlarged.

Amendment No. 6 authorizes expenditure of not to exceed $16,530,000 for personal services at the seat of Government in the Bureau of Internal Revenue, as proposed by the Senate.

Amendment No. 7 appropriates $19,584,000 for objects of expenditure other than personal services in the Bureau of Internal Revenue, instead of $18,000,000 as proposed by the House and $21,166,000 as proposed by the Senate.

Amendment No. 8 authorizes not to exceed $2,576,500 for stationery for the Bureau of Internal Revenue, as proposed by the Senate.

Amendment No. 9 authorizes not to exceed $1,500,000 for ammunition for the Bureau of Internal Revenue, as proposed by the Senate.

Amendment No. 10 authorizes not to exceed $500,000 for rewards for bringing to trial violators of internal revenue laws, as proposed by the Senate.

Amendment No. 11 provides for a total appropriation for salaries and expenses of the Bureau of Internal Revenue in amount of $193,584,000, instead of $186,736,000, as proposed by the House and $200,432,000 as proposed by the Senate.

Amendment No. 12 is reported in disagreement.

Amendment No. 13 appropriates $12,500,000 for salaries and expenses, Bureau of Engraving and Printing, instead of $12,000,000 as proposed by the House and $12,830,000 as proposed by the Senate.

Amendment No. 14: Appropriates $1,275,000 for salaries and expenses, Bureau of Federal Supply, as proposed by the House, instead of $1,310,000, as proposed by the Senate.

Amendment No. 15: Reported in disagreement.

Amendment No. 16: Inserts the amendment of the Senate providing funds to increase the general supply fund established by the Act approved February 27, 1929, as amended, with an amendment providing $1,500,000 for such purpose, instead of $3,000,000, as proposed by the Senate.

Amendment No. 17: Appropriates $170,000, as proposed by the Senate, instead of $150,000, as proposed by the House, for printing and binding for the Bureau of Federal Supply.

TITLE II—POST OFFICE DEPARTMENT

Amendment No. 18: Appropriates $968,000, as proposed by the Senate, instead of $928,000, as proposed by the House, for salaries, Office of the Second Assistant Postmaster General.

Amendment No. 19: Appropriates $823,000, as proposed by the Senate, instead of $752,000, as proposed by the House, for salaries, Office of the Fourth Assistant Postmaster General.

Amendment No. 20: Appropriates $505,000 for salaries, Bureau of Accounts, instead of $485,000, as proposed by the House, and $525,000, as proposed by the Senate.

Amendment No. 21: Appropriates $172,150 for contingent expenses, instead of $160,000, as proposed by the House, and $184,300, as proposed by the Senate.

Amendment No. 22: Appropriates $2,114,000 for printing and binding, instead of $2,000,000, as proposed by the House, and $2,228,000, as proposed by the Senate.

Amendment No. 23: Appropriates $12,600,000 for compensation to assistant postmasters, instead of $12,500,000, as proposed by the House, and $12,700,000, as proposed by the Senate.

Amendment No. 24: Appropriates $2,900,000 for carfare and bicycle allowance, instead of $2,800,000, as proposed by the House, and $3,000,000, as proposed by the Senate.

Amendment No. 25: Strikes out the provision of the House to appropriate $23,842,000 for foreign mail transportation, including not to exceed $79,200 to cover cost for maintaining sea post service on ocean steamships conveying mails to and from the United States, and inserts $23,762,800 for such foreign mail transportation, as proposed by the Senate.

Amendment No. 26: Appropriates $17,500 for indemnities, international mail, instead of $15,000, as proposed by the House, and $20,000, as proposed by the Senate.

Amendment No. 27: Appropriates $23,042,000 for foreign air mail service, instead of $19,500,000, as proposed by the House, and $26,583,000, as proposed by the Senate.

Amendments Nos. 28, 29 and 30, relating to Office of the Fourth Assistant Postmaster General, miscellaneous supplies and equipment: Appropriates $7,658,000, instead of $7,158,000, as proposed by the House, and $8,158,000, as proposed by the Senate; makes available $50,000 for mechanizing devices for separation of mails, and $50,000 for research, design, manufacture, and installation of pilot mail-sorting equipment, and for the necessary supervision of the installation and operation of such equipment, as proposed by the Senate, it being of the highest importance that the Postmaster General cooperate to the fullest extent with the House Committee on Post Office and Civil Service in the progressive program to be implemented by funds provided in this amendment, since many millions of dollars of public funds may be saved by this program; and strikes out the words "or blueprints", as proposed by the Senate.

Amendment No. 31: Appropriates $12,853,625 for equipment shops, instead of $12,800,000, as proposed by the House, and $12,907,250, as proposed by the Senate.

Amendment No. 32: Appropriates $14,750,000 for rent, fuel, and utility services, instead of $14,500,000, as proposed by the House, and $15,000,000, as proposed by the Senate.

Amendment No. 33: Appropriates $42,457,000 for vehicle service, instead of $42,000,000, as proposed by the House, and $42,914,000, as proposed by the Senate.

Amendment No. 34: Reported in disagreement.

AMENDMENTS REPORTED IN DISAGREEMENT

The following amendments are reported in disagreement:

Amendment No. 12, relating to management and operational studies of the Bureau of Internal Revenue. The House managers will move to recede and concur with an amendment.

Amendment No. 15, relating to the purchase of typewriters by the Director of the Bureau of Federal Supply. The House managers will move to recede and concur with an amendment.

Amendment No. 34, relating to the transfer of funds, Field Service, Post Office Department. The House managers will move to recede and concur with an amendment.

GORDON CANFIELD,
EVERETT M. DIRKSEN,
P. W. GRIFFITHS,
GEO. B. SCHWABE,
J. VAUGHAN GARY,
JOE B. BATES,
HENRY M. JACKSON,
Managers on the Part of the House.

EXTENSION OF REMARKS

Mr. HARNESS of Indiana asked and was given permission to include in his remarks made in Committee of the Whole an article from the Washington Times-Herald of yesterday.

Mr. LYLE asked and was given permission to extend his remarks in the RECORD.

Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.

Mr. KERSTEN of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include two articles.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD.

Mr. SMITH of Wisconsin. Mr. Speaker, on yesterday I received permission to extend my remarks in the RECORD and include certain extraneous matter. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $165, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD in connection with the title "Assistance to Greece and Turkey."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HARRIET TOWNSEND BOTTOMLEY

Mr. JENNINGS. Mr. Speaker, I call up the conference report on the bill (H. R. 2389) for the relief of Harriet Townsend Bottomley.

The Clerk read the title of the bill.

The Clerk read the conference report.

(For conference report and statement, see proceedings of the House of June 1, 1948.)

The conference report was agreed to.

A motion to reconsider was laid on the table.

SOCIAL-SECURITY BENEFITS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk House Joint Resolution 296, to maintain the status quo in respect of certain employment taxes and social-security benefits pending action by Congress on extended social-security coverage, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendment, as follows:

On page 2, line 15, strike out all after "any" down to line 20, inclusive, and insert "(1) wage credits reported to the Bureau of Internal Revenue with respect to services performed prior to the enactment of this act; or (2) wage credits with respect to services performed prior to the close of the first calendar quarter, which begins after the date of enactment of this act in the case of individuals who have attained age 65 or who have died, prior to the close of such quarter, and with respect to whom prior to the date of enactment of this act wage credits were established which would not have been established had the amendment made by subsection (a) been in effect on and after August 14, 1935."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, in the interests of clearing up the confusion and misunderstanding created by opponents to House Joint Resolution 296, it is appropriate to point out briefly the real purpose and effect of this resolution which the House and Senate overwhelmingly agreed to.

This resolution merely proposes to continue the existing Treasury regulations setting forth the tests to be used in determining whether a given individual rendering service for another is an employee or not an employee under the Social Security Act for the purpose of establishing his rights to benefits under the insurance provisions of the law.

Opponents of the resolution have mislead many people into believing that it will exclude from coverage under the insurance provisions a great host of employed persons numbering anywhere from 500,000 to 750,000 or more. This is not true. The people it will affect have never been covered by the Social Security Act, were never intended to be covered by the Social Security Act and are not now covered by any act. They will not be denied the opportunity of establishing the fact that they are entitled to coverage if they can prove that their relationships with their employers are the relations of an employee under existing Treasury regulations.

The real objection to the resolution is based entirely upon the desire of the Federal Security Agency to arrogate to itself the right to determine who is and who is not entitled to coverage and to benefits under the Social Security Act. They want to do this under a proposed Treasury regulation which would permit the use of any test that anyone can think of at any time for determining whether a given individual is an employee or is not an employee. They rely upon a series of court decisions as justification for this proposed regulation. Actually they do not rely upon the decisions of the Court at all, but upon purely incidental, prefatory language in the Court's opinions which confer no authority whatever upon the Treasury Department or the Federal Security Agency to decide for itself the matter of coverage under the Social Security Act. Rather than giving the Government a broader license than it now has, these decisions actually held in effect that the Government had overextended the power it already had under the existing Treasury regulation.

Notwithstanding this rebuff the Treasury Department brings forward a proposed regulation that would give the Department and the Federal Security Agency authority to make the very type of interpretation which the Court rejected in its opinions. Rather than implementing the Supreme Court decision the proposed Treasury regulation attempts to surmount, supersede, and negative them.

A sound analysis of these cases requires that the prefatory and random remarks of the Court which have been seized upon to supply a spurious gloss of validity to the proposed Treasury regulation shall be harmoniously related to the facts involved, the decisions, and to their moving rules. If this cannot be done these offhand comments by the Court or courts must be regarded as surplusages. The purpose of House Joint Resolution 296 can, therefore, be said to continue to treat employee relations under the existing regulations which are based upon fundamental principles of the common law, and which do not permit any wild guesses as to whether an individual is an employee or is not an employee.

Another purpose of the resolution is to prevent a large number of people from obtaining benefits under the Social Security Act without having paid the necessary taxes or premiums for such benefits. In other words, the resolution would prevent these persons from obtaining a "free ride" at the expense of others who contribute their money to the program. Unless the resolution becomes law there will be retroactive grants of coverage without any offsetting contribution of taxes.

This will impair the Federal old-age and survivors trust fund to the possible extent of approximately $100,000,000. This raises the all-important question of whether the integrity and soundness of the Social Security System will be maintained if the opponents to the resolution have their way.

Obviously the approximately 33,000,000 persons now insured under title II of the act look for the payment of their benefits out of the trust fund. They have bought their privilege with hard-earned tax dollars. Opponents of the resolution would disregard this fact and pay benefits to people regardless of the lack of contributions.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that all Members, especially members of the Committee on Ways and Means, may have five legislative days to extend their remarks on House Joint Resolution 296.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

80TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2224

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, FISCAL YEAR 1949

JUNE 4, 1948.—Ordered to be printed

Mr. CANFIELD, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 5770]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 14.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 6, 8, 9, 10, 17, 18, 19, 25, 29 and 30, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$125,000*; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$4,250,000*; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$52,000,000*; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$174,000,000*; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$19,584,000*; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$193,584,000*; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$12,500,000*; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

In lieu of the sum named in said amendment insert the following: *$1,500,000*; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$505,000*; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$172,150*; and the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$2,114,000*; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$12,600,000*; and the Senate agree to the same.

Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$2,900,000*; and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$17,500*; and the Senate agree to the same.

Amendment numbered 27:

That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$23,042,000*; and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$7,658,000*; and the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$12,853,625*; and the Senate agree to the same.

Amendment numbered 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$14,750,000*; and the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: *$42,457,000*; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 12, 15 and 34.

GORDON CANFIELD,
EVERETT M. DIRKSEN,
P. W. GRIFFITHS,
GEO. B. SCHWABE,
J. VAUGHAN GARY,
JOE B. BATES,
HENRY M. JACKSON,
Managers on the Part of the House.

GUY CORDON,
CLYDE M. REED,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
KENNETH MCKELLAR,
CARL HAYDEN,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommend in the accompanying conference report as to each of such amendments, namely:

TITLE I.—TREASURY DEPARTMENT

Amendment No. 1: Appropriates $125,000 for the Division of Tax Research, instead of $110,000, as proposed by the House, and $141,400, as proposed by the Senate.

Amendment No. 2: Appropriates $250,000 for the Office of the General Counsel, as proposed by the Senate.

Amendment No. 3: Authorizes $4,250,000 for promoting the sale of savings bonds, instead of $3,750,000, as proposed by the House, and $4,658,100, as proposed by the Senate.

Amendment No. 4: Appropriates $52,000,000 for administering the public debt, instead of $51,500,000, as proposed by the House, and $52,408,100, as proposed by the Senate.

Amendment No. 5: Appropriates $174,000,000 for personal services in the Bureau of Internal Revenue, instead of $168,736,000, as proposed by the House, and $179,266,000, as proposed by the Senate. In approving for the Bureau of Internal Revenue funds additional to the amount requested in the original budget for 1949, it is the intention of the managers on the part of the two Houses that the Secretary of the Treasury apply these additional funds for upgrading essential positions in field enforcement activities and for the employment of additional qualified enforcement personnel. The Secretary of the Treasury should report to the Congress at the beginning of the next session as to the progress made, including detailed information as to the success of the Bureau of Internal Revenue in recruiting competent persons in order that this program may be reviewed at the earliest moment in the Eighty-first Congress, first session and a decision reached as to whether, and the extent to which, the program should be enlarged.

Amendment No. 6: Authorizes expenditure of not to exceed $16,530,000 for personal services at the seat of government in the Bureau of Internal Revenue, as proposed by the Senate.

Amendment No. 7: Appropriates $19,584,000 for objects of expenditure other than personal services in the Bureau of Internal Revenue, instead of $18,000,000, as proposed by the House, and $21,166,000, as proposed by the Senate.

Amendment No. 8: Authorizes not to exceed $2,576,500 for stationery for the Bureau of Internal Revenue, as proposed by the Senate.

Amendment No. 9: Authorizes not to exceed $1,500,000 for ammunition for the Bureau of Internal Revenue, as proposed by the Senate.

Amendment No. 10: Authorizes not to exceed $500,000 for rewards for bringing to trial violators of internal-revenue laws, as proposed by the Senate.

Amendment No. 11: Provides for a total appropriation for salaries and expenses of the Bureau of Internal Revenue in amount of $193,584,000, instead of $186,736,000, as proposed by the House, and $200,432,000, as proposed by the Senate.

Amendment No. 12: Reported in disagreement.

Amendment No. 13: Appropriates $12,500,000 for salaries and expenses, Bureau of Engraving and Printing, instead of $12,000,000, as proposed by the House, and $12,830,000, as proposed by the Senate.

Amendment No. 14: Appropriates $1,275,000 for salaries and expenses, Bureau of Federal Supply, as proposed by the House, instead of $1,310,000, as proposed by the Senate.

Amendment No. 15: Reported in disagreement.

Amendment No. 16: Inserts the amendment of the Senate providing funds to increase the general supply fund established by the act approved February 27, 1929, as amended, with an amendment providing $1,500,000 for such purpose, instead of $3,000,000, as proposed by the Senate.

Amendment No. 17: Appropriates $170,000, as proposed by the Senate, instead of $150,000, as proposed by the House, for printing and binding for the Bureau of Federal Supply.

TITLE II—POST OFFICE DEPARTMENT

Amendment No. 18: Appropriates $968,000, as proposed by the Senate, instead of $928,000, as proposed by the House, for salaries, Office of the Second Assistant Postmaster General.

Amendment No. 19: Appropriates $823,000, as proposed by the Senate, instead of $752,000, as proposed by the House, for salaries, Office of the Fourth Assistant Postmaster General.

Amendment No. 20: Appropriates $505,000 for salaries, Bureau of Accounts, instead of $485,000, as proposed by the House, and $525,000, as proposed by the Senate.

Amendment No. 21: Appropriates $172,150 for contingent expenses, instead of $160,000, as proposed by the House, and $184,300, as proposed by the Senate.

Amendment No. 22: Appropriates $2,114,000 for printing and binding, instead of $2,000,000, as proposed by the House, and $2,228,000, as proposed by the Senate.

Amendment No. 23: Appropriates $12,600,000 for compensation to assistant postmasters, instead of $12,500,000, as proposed by the House and $12,700,000 as proposed by the Senate.

Amendment No. 24: Appropriates $2,900,000 for carfare and bicycle allowance, instead of $2,800,000, as proposed by the House, and $3,000,000, as proposed by the Senate.

Amendment No. 25: Strikes out the provision of the House to appropriate $23,842,000 for foreign-mail transportation, including not to exceed $79,200 to cover cost for maintaining sea post service on ocean steamships conveying mails to and from the United States, and inserts $23,762,800 for such foreign-mail transportation, as proposed by the Senate.

Amendment No. 26: Appropriates $17,500 for indemnities, international mail, instead of $15,000 as proposed by the House and $20,000 as proposed by the Senate.

Amendment No. 27: Appropriates $23,042,000 for foreign air mail service, instead of $19,500,000 as proposed by the House, and $26,583,000, as proposed by the Senate.

Amendments Nos. 28, 29, and 30, relating to Office of the Fourth Assistant Postmaster General, miscellaneous supplies and equipment: Appropriates $7,658,000, instead of $7,158,000 as proposed by the House and $8,158,000 as proposed by the Senate; makes available $50,000 for mechanizing devices for separation of mails and $50,000 for research, design, manufacture, and installation of pilot mail-sorting equipment, and for the necessary supervision of the installation and operation of such equipment, as proposed by the Senate, it being of the highest importance that the Postmaster General cooperate to the fullest extent with the House Committee on Post Office and Civil Service in the progressive program to be implemented by funds provided in this amendment, since many millions of dollars of public funds may be saved by this program; and strikes out the words "or blueprints", as proposed by the Senate.

Amendment No. 31: Appropriates $12,853,625 for equipment shops, instead of $12,800,000, as proposed by the House and $12,907,250, as proposed by the Senate.

Amendment No. 32: Appropriates $14,750,000 for rent, fuel, and utility services, instead of $14,500,000, as proposed by the House, and $15,000,000, as proposed by the Senate.

Amendment No. 33: Appropriates $42,457,000 for vehicle service, instead of $42,000,000, as proposed by the House, and $42,914,000, as proposed by the Senate.

Amendment No. 34: Reported in disagreement.

AMENDMENTS REPORTED IN DISAGREEMENT

The following amendments are reported in disagreement:

Amendment No. 12, relating to management and operational studies of the Bureau of Internal Revenue. The House managers will move to recede and concur with an amendment.

Amendment No. 15, relating to the purchase of typewriters by the Director of the Bureau of Federal Supply. The House managers will move to recede and concur with an amendment.

Amendment No. 34, relating to the transfer of funds, field service, Post Office Department. The House managers will move to recede and concur with an amendment.

GORDON CANFIELD,
EVERETT M. DIRKSEN,
P. W. GRIFFITHS,
GEO. B. SCHWABE,
J. VAUGHAN GARY,
JOE B. BATES,
HENRY M. JACKSON,
Managers on the Part of the House.

○

Ala., Bates of Ky., and Fogarty were appointed conferees on this bill, H.R.6430. (p. 7631). Senate conferees were appointed June 3.

25. FARM PROGRAM. Rep. Abernethy, Miss., spoke favoring the long-range farm program and urged price supports for farm products (pp. 7649-50).

26. TREASURY-POST OFFICE APPROPRIATION, 1949. Agreed to conference report on this bill, H.R. 5770 (p. 7651). The Senate has not yet acted on the conference report.

27. ASSISTANT SECRETARIES. The Foreign Affairs Committee reported without amendment H.R. 6822, to continue the authorization for the appointment of two additional Assistant Secretaries of State (H.Rept. 2257) (p. 7660).

28. FOREST LANDS. The Agriculture Committee reported without amendment H.R. 5861, directing USDA to convey a small tract of forest land to Oklahoma for the construction of a dam (H.Rept. 2265) (p. 7660).

29. RURAL ELECTRIFICATION. The Agriculture Committee reported without amendment S. 1087, to authorize REA to refinance obligations owed by certain municipalities to TVA, to the extent that such indebtedness was incurred with respect to electric transmission systems serving persons in rural areas (H.Rept. 2266) (p. 7660).

30. TOBACCO PARITY. Discussed and passed over, on objection of Rep. Murray of Wis. H.R. 5111, to change the base period for Maryland tobacco to January 1936-December 1945 (p. 7563).

31. SUPPLEMENTAL FEDERAL SECURITY AGENCY APPROPRIATION BILL. Received the conference report on this bill, H.R. 6355 (pp. 7587-8).

32. LABOR-FEDERAL SECURITY APPROPRIATION BILL. Received the conference report on this bill, H.R. 5728 (pp. 7588-9).

33. PENALTY MAIL. Passed as reported H.R. 6406, to repeal various provisions of the Penalty Mail Act (pp. 7592-3).

BILLS INTRODUCED

34. TIN INDUSTRY. S. 2830, by Sen. Morse, Ore., to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry. To Armed Services Committee. (p. 7466.)

35. DISASTER RELIEF. 2831, by Sen. Cordon, Ore. (for himself and others), to authorize the FWA to coordinate emergency activities of Federal agencies in disaster areas and to provide emergency aid, including aid for the repair, restoration, or replacement of public facilities in such areas. To Public Works Committee. (pp. 7545-6.) Remarks of author (p. 7530).

H.R. 6838, by Rep. Hagen, Minn., to provide emergency aid for the repair, restoration, or reconstruction of public facilities damaged or destroyed by certain catastrophes. To Appropriations Committee. (p. 7661.)

36. PERSONNEL. H.R. 6840, by Rep. Rees, Kans., to amend the act of Mar. 14, 1936, "An act to provide for vacations to Government employees, and for other purposes," to include part-time employees for whom there has been established a regular tour of duty. To Post Office and Civil Service Committee. (p. 7661.)

37. HOUSING. H.R. 6841, by Rep. Wolcott, Mich., to amend the National Housing Act

and to provide for the disposal of Government-owned war housing accommodations. To Banking and Currency Committee. (p. 7661.)

ITEMS IN APPENDIX

38. GRAIN CONSERVATION. Extension of remarks of Rep. O'Konski, Wis., summarizing his remarks made earlier this year, criticizing the allocation of grain to distillers (pp. A3813-4).

39. FOREIGN AID. Speech in the House by Rep. Ellis, W.Va., favoring a reduction in foreign aid appropriations (pp. A3797-8).

Rep. Foote, Conn., inserted a Washington Evening Star article favoring careful review of needs for European aid (p. A3810).

Rep. Jones, Wash., inserted Floyd Oles' letter recommending stabilization of Western Germany as an aid to European recovery (pp. A3812-3).

40. FOREIGN TRADE. Rep. Evins, Tenn., inserted newspaper editorials favoring extension of the Trade Agreements Act (pp. A3798-9).

Rep. Hand, N.J., inserted Robert K. Ball's recent speech, "World Peace and Its Relationship to World Trade" (pp. A3816-8).

41. EDUCATION. Rep. Rich, Pa., inserted George S. Benson's (pres. Harding College) recent article opposing Federal aid for education (pp. A3808-9).

Extension of remarks of Rep. O'Konski, Wis., favoring Federal aid for education (pp. A3809-10).

42. WATER UTILIZATION. Rep. Phillips, Calif., inserted a Los Angeles Times editorial urging that the dispute over use of Colorado River water be settled by the Supreme Court (pp. A3821-2).

43. FLOOD CONTROL. Rep. Fogarty, R.I., inserted a Youngstown (Ohio) Vindicator editorial suggesting that the establishment of a Columbia River Authority could have prevented the Columbia River flood disaster (pp. A3823-4).

44. EXPENDITURES. Sen. Byrd, Va., inserted T. Coleman Andrews' recent speech urging economy in Government spending (pp. A3795-7).

BILL APPROVED BY THE PRESIDENT

45. STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATION ACT, 1949. H.R. 5607 contains appropriations for various international organizations, including Food and Agriculture Organization ($1,250,000), Caribbean Commission ($135,000), Inter-American Coffee Board, Inter-American Institute of Agricultural Sciences ($145,397), and UNESCO; funds for U.S. obligations of the International Boundary and Water Commission, U.S. and Mexico; provides for transfers to departments assisting in special and technical investigations for the International Boundary Commission, U.S. and Canada; includes $27,000,000 for international information and educational activities under The Information and Educational Exchange Act, 1948, with an additional contract authorization of $1,000,000; appropriates $4,100,000 for cooperation with American Republics, including authorization for transfers from this fund for agricultural experiment and demonstration stations in other American countries; appropriates $5,100,000 for current census statistics, including foreign-trade statistics, by the Census Bureau; provides for the Bureau of Standards to test equipment, materials, and supplies in connection with Government purchases; authorizes extra compensation at not to exceed $5 per day for employees of other Government agencies in Alaska and other Territorial possessions for taking and transmitting meteorological observations for the

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD immediately prior to the passage of the bill, Calendar No. 643, H. R. 4917.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. COLE of Missouri asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include therein excerpts from the committee's report on the bill; and to extend his remarks in the Appendix of the RECORD in two separate instances, to include in each extraneous matter, and in one a radio address by Jack Bell.

CORRECTION OF ROLL CALL

Mr. FOOTE. Mr. Speaker, on roll call 96 I am recorded as "not present." I was present and voted for the bill, the Railroad Retirement Act.

I ask unanimous consent that the Journal and the RECORD may be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

TREASURY-POST OFFICE APPROPRIATION BILL, 1949—CONFERENCE REPORT

Mr. CANFIELD. Mr. Speaker, I call up the conference report on the bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

(For conference report and statement, see proceedings of the House of June 4, 1948.)

Mr. CANFIELD (interrupting the reading of the statement of the managers). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12. Page 11, line 3, insert the following: ": *Provided*, That not to exceed $150,000 of the amount appropriated under this head for the fiscal year 1949 shall be available for expenses by contract or otherwise, of such management and operational studies as are necessary in the Bureau of Internal Revenue."

Mr. CANFIELD. Mr. Speaker. I offer a motion.

The Clerk read as follows:

Mr. CANFIELD moves that the House recede from its disagreement to the amendment of the Senate No. 12 and agree to the same.

Mr. CANFIELD. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 15: Page 22, line 11, strike out all of lines 11 to 16, inclusive, and insert in lieu thereof the following: "In the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters out of stock on hand, he may purchase, out of funds specifically appropriated for that purpose, such machines at the lowest published retail list price for any such typewriters offered for sale to the Federal Government less 30 percent, plus the amount of Federal excise tax applicable to the lowest published retail list price."

Mr. CANFIELD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CANFIELD moves that the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "Notwithstanding the foregoing paragraphs, in the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters out of stock on hand, he may purchase typewriters for the account of such agency: *Provided*, That the price paid during any quarter of the fiscal year for such typewriters shall not exceed 90 percent of the lowest net cash price, plus applicable Federal excise taxes, accorded the most favored customer (other than the Government of the United States, or any agency thereof, and purchasers of typewriters for educational instruction purposes only) of the manufacturer of such machines during the 6 months' period immediately preceding such quarter."

Mr. CANFIELD. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 34: On page 40, after line 10, insert the following: "Not to exceed 5 percent of any appropriation for the Field Service, Post Office Department, may be transferred, with the approval of the Director of the Bureau of the Budget, to any other appropriation or appropriations under the same Service, but no appropriation shall be increased more than 10 percent by such transfers."

Mr. CANFIELD. Mr. Speaker, I offer a motion which I send to the desk.

The Clerk read as follows:

Mr. CANFIELD moves that the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In line 5 of said amendment, strike out the word "same", and insert "said."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. MULTER (at the request of Mr. EBERHARTER) was given permission to extend his remarks in the Appendix of the RECORD and include a poem.

Mr. JENNINGS asked and was given permission to extend his remarks in the RECORD and include a petition signed by a large number of citizens of Tennessee.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and included a speech by Mr. Samuel B. Morris on a proposal for financing of Federal water-power projects.

INCREASING TRAVEL ALLOWANCE FOR RAILWAY POSTAL CLERKS AND SUBSTITUTE RAILWAY POSTAL CLERKS

Mr. COLE of Missouri. Mr. Speaker, this morning when the Consent Calendar was called, the bill S. 2152, appeared thereon, but had not been on the calendar long enough to be considered today. I asked unanimous consent at that time for its consideration, and the Speaker informed me that if I would interview the objectors perhaps it could be called up later. I have spoken to the objectors, both Republicans and Democrats, I have taken the matter up with the majority leader and the minority leader, I have also talked to the senior and minority members of the Committee on Post Office and Civil Service and they have no objection to the consideration of this bill at the present time. I therefore ask unanimous consent, Mr. Speaker, for the immediate consideration of the bill (S. 2152) to increase the maximum travel allowance for railway postal clerks and substitute railway postal clerks.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsections (m) and (r) of section 16 of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, as amended, are amended by striking out "$4 per day" and inserting in lieu thereof "$6 per day."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPECIAL ORDER

Under previous special order of the House, the gentleman from New Mexico [Mr. FERNANDEZ] is recognized for 10 minutes.

NAVAJO INDIAN LEGISLATION

Mr. FERNANDEZ. Mr. Speaker, I heartily commend the gentleman from California [Mr. WELCH], chairman of the Public Lands Committee, and the gentleman from Montana [Mr. D'EWART], chairman of the Indian Affairs Subcommittee, as well as the Republican steer-

ing committee, for their decision Friday to push enactment of the Navajo Indian legislation before Congress adjourns. Following their action Friday, it was my understanding that the Navajo bill would be called up today under unanimous consent or by a suspension of the rules. Though the primary election is in progress in New Mexico today, I flew back to Washington yesterday, only to find this morning that the Indian Office has filed an adverse report to the D'Ewart bill.

I have heretofore restrained myself because of my affection for Secretary Krug and Under Secretary Warne, who are sincere men, but this action on the part of the Indian Office shocks me beyond further restraint. I must speak out. Is it possible that the Indian Office is more interested in putting this Congress on the spot so that it can be blamed for failure to act? I do not believe in playing politics at the expense of hungry and destitute people.

The bill reported out by the committee is right in line with Secretary Krug's recommendations. It authorizes the full $25,000,000 requested for the construction of schools, school dormitories and other educational facilities. It authorizes $100,000 per year to promote employment of Navajo Indians off the reservation; it authorizes $250,000 per year for the relief of disabled and dependent Navajo Indians; it authorizes $228,000 for health improvement, and $1,000,000 per year for the construction of roads. All of this is right in line with the recommendations of Secretary Krug.

True, this does not at one stroke authorize the entire 10-year $90,000,000 program, and because it does not do so the Indian Office objects to the enactment of this bill. This arbitrary and dilatory attitude is unreasonable and likely to result in no action at all.

Heretofore in the summer of 1946, nearly $1,000,000 was appropriated for the building of two Navajo schools. To this date, not a handful of dirt has been turned and not a nail has been driven in the construction of those two schools. Chicago architects weer hired, as if there were none competent in New Mexico and Arizona, and the whole matter is still tangled up by the red tape and dilatory attitude of the Washington Indian Office. Under the circumstances, objection to the House bill on the grounds that it does not authorize the entire program, including airports and modern coal bins and all, comes with poor grace.

The D'Ewart bill should be taken up as promptly as possible. I hope this is done before this week ends, and that it is passed and enacted into law before the adjournment of Congress. I go further and say that either Acting Commissioner Zimmerman and Educational Director Beatty should be discharged for their delay in carrying out the mandate of Congress as expressed in the appropriation bill in 1946, or else the Navajo Reservation should be taken from under their jurisdiction and their inaction. The Congress is not in position to discharge the men responsible for the neglect of this tribe, but it can and should emancipate the Navajo from the lethargy of this Bureau. Congress can pass legislation whereby a man of vigor and action can be selected to administer the long-delayed rehabilitation and education of these people. A bill to do that very thing is now pending in the Senate and I sincerely hope that Mr. D'EWART's bill and the Senate bill are combined and are enacted into law before we adjourn.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Arizona.

Mr. MURDOCK. Mr. Speaker, I would like to make this observation. The gentleman from New Mexico had some very complimentary things to say about the chairman of the Committee on Public Lands and also about the chairman of the Subcommittee on Indian Affairs.

Mr. FERNANDEZ. And I say they deserve it, too.

Mr. MURDOCK. They do deserve it, and for that reason I wanted to second what the gentleman said in that respect. I want to say further, Mr. Speaker, that the gentleman from New Mexico himself has been untiring in his efforts to get the kind of legislation for which he now pleads. That was shown quite eloquently last November when we had temporary legislation before us, and at that time the gentleman from New Mexico time after time stressed the need of a permanent piece of legislation that would rehabilitate this great Navajo Indion Tribe. I am in accord with the gentleman in wanting a proper long-range plan.

Mr. FERNANDEZ. I thank the gentleman. I have also been very patient. I have not spoken out, although I did tell the committee what I knew about the details regarding the building of those two schoolhouses. Now they come in here with this report. If they had criticized our committee for not giving them the full amount requested, I would not have anything to say, but when they come in and say, "Do not enact this bill," when they know full well or ought to know full well that if we are not going to enact this bill we will not at this late date get anything, that is the last stroke.

Mr. BARRETT. Mr. Speaker, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Wyoming.

Mr. BARRETT. I want to commend the gentleman for his courageous statement on this matter. We are all very deeply interested in the welfare of the Indians of the country, and the gentleman from New Mexico has always fought valiantly for the Indians of his State.

Mr. FERNANDEZ. I thank the gentleman.

Mr. BARRETT. In my opinion, our Committee on Public Lands has not had the proper cooperation from the Indian Bureau. I hope that some way may be arrived at whereby we can secure more adequate information and better reports and more active cooperation from the Indian Bureau.

Mr. FERNANDEZ. As far as getting information about the Navajo Reservation is concerned, I do not think we will ever get it until we have a man responsible at the head of that reservation, instead of trying to channel everything through the Indian Office in Washington.

Mr. D'EWART. Mr. Speaker, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Montana.

Mr. D'EWART. I in turn want to compliment the gentleman from New Mexico on bringing this matter to the attention of the Congress. Certainly the situation on the Navajo and the Hopi Reservations is something that is a disgrace to the Nation. We have made treaties with these people under which we are supposed to do certain things. We have fallen down in the carrying out of those treaties. During this session we have held extensive hearings on the situation in the Navajo Reservation. As a result of those hearings, various bills were introduced. The one to which the gentleman from New Mexico refers is the one that is being pressed for enactment at this time and has been voted out unanimously by our House Committee on Public Lands.

Mr. FERNANDEZ. The gentleman will agree with me, I am sure, that it is the beginning of the very program Secretary Krug has recommended.

Mr. D'EWART. That is right. It is not the intention of the committee that this shall be the final word on this problem, but it is a step in the right direction. I think this goes along and is in accord with the recommendations of the Bureau. I regret very much that they have seen fit to send up an adverse report on this necessary legislation. I hope we may not pay too much attention to that report, but can get favorable action in this session on this bill, which will be a step in taking care of this very, very bad situation.

Mr. FERNANDEZ. I am sure Congress will do what is right, regardless of the report.

Mr. POULSON. Mr. Speaker, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from California.

Mr. POULSON. As I recall, when this bill was brought before the full Committee on Public Lands, this very statement was made, that this was the first step in the general over-all program and approach to settling this very delicate and serious problem as far as the Indians are concerned.

Mr. FERNANDEZ. Yes. I think the committee is very properly putting first things first in this bill. If we authofize the whole $90,000,000, what assurance have we that they will handle that any better than the $1,000,000 we gave them 2 years ago, with which they have done nothing up to date?

Mr. POULSON. I do not believe there is a single committee in the House that works any harder than the Subcommittee on Indian Affairs, of which the gentleman is one of the very able members.

Mr. FERNANDEZ. I am sorry to say that in this particular matter we have not accomplished very much so far because of the lack of a cooperative attitude on the part of the Indian Office in Washington. What has been done is

DIGEST OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 11, 1948
For actions of June 10, 1948
80th-2nd, No. 105

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HIGHLIGHTS: Senate passed selective-service and road-authorizations bills. Senate passed bills to increase interest on farm-tenant loans, delay liquidation of FHA minerals, and authorize land-title adjustments. House committee agreed to amendments to price support bill to support potatoes, milk, hogs, chickens, and eggs at 90% of 1948 parity. House to debate price-support and CCC-charter bills today. House committee ordered housing bill reported with rural-housing title. Rep. Murray (Wis.) criticized USDA's potato price supports, USDA's use of unfortified skim milk in school-lunch program, the embargo on tobacco-seed exports, and the "New Deal foreign agricultural policy."

SENATE

1. SELECTIVE SERVICE. Passed, 78-10, with amendments S. 2655, the selective service bill (pp. 7836-59).

2. LEGISLATIVE APPROPRIATION BILL. Both Houses agreed to conference report on this bill, H.R. 6500 (pp. 7860, 7905). This bill will now be sent to the President.

3. BUILDINGS AND GROUNDS. The Public Works Committee reported with amendments S. 1955, to authorize acquisition of plans for Federal public buildings in D. C. (S. Rept. 1591)(p. 7860).

4. SUGAR ACT; ADMINISTRATIVE PROCEDURE. The Judiciary Committee reported with amendment S. 2755, to exclude the Sugar Control Extension Act from the Administrative Procedure Act (S. Rept. 1588)(p. 7860).

5. TREASURY-POST OFFICE APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 5770 (pp. 7868-70). Agreed to a House amendment to the typewriter-purchase provision, providing as follows: "Notwithstanding the foregoing paragraphs, in the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters out of stock on hand, he may purchase typewriters for the account of such agency: Provided, That the price paid during any quarter of the fiscal year for such typewriters shall not exceed 90 percent of the lowest net cash price, plus applicable Federal excise taxes, accorded the most-favored customer (other than the Government of

the United States, or any agency thereof, and purchasers of typewriters for educational instruction purposes only) of the manufacturer of such machines during the 6-month period immediately preceding such quarter." This bill will now be sent to the President.

6. OLEOMARGARINE TAXES. Sen. Maybank, S. C., expressed regret that H. R. 2245, to repeal these taxes, was not being considered. Sen. Taft replied: "There is no disposition on the part of our committee to hold up that bill. On the other hand, there are bills of national importance which have been given priority. As soon as we finish what we have planned for consideration, we shall consider that bill among other bills." (p. 7871.)

7. ANIMAL IMPORTS. Passed as reported S. 1447, to prohibit importation of foreign wild animals and birds under conditions other than humane (p. 7872).

8. ROAD AUTHORIZATIONS. Passed as reported H. R. 5888, to authorize road appropriations for the fiscal years 1950 and 1951 (pp. 7874-6).

The Senate committee report includes the following description of the provisions regarding forest highways and forest roads and trails: "Section 3 (a) of the bill, as amended, authorizes, for each of the fiscal years ending June 30, 1950 and 1951, $20,000,000 instead of the $25,000,000 for forest highways authorized in section 2 of H. R. 5888, as it passed the House, and $20,000,000 instead of the $12,500,000 for forest development roads and trails authorized in section 2 of H. R. 5888, as it passed the House. H. R. 5888, as it passed the House, made the authorizations for three fiscal years beginning with the fiscal year ending June 30, 1950, as contrasted with two fiscal years in the bill, as amended. The changes in amounts are in conformity with data presented at the hearings, including the recommendations of the Commissioner of Public Roads, the Secretary of Agriculture, and the Assistant Chief of the Forest Service. The bill, as amended, also adds a provision that the authorization for forest highways, for the fiscal year ending June 30, 1950, shall be apportioned for expenditure immediately upon the passage of the act, according to the area and value of the land owned by the Government within the national forests therein, which the Secretary of Agriculture is directed to determine and certify, and on or before January 1 next preceding the commencement of each succeeding fiscal year there is to be like apportionment. The Commissioner of Public Roads is authorized to incur obligations, approve projects, and enter into contracts under such apportionment and his action in so doing shall be deemed a contractual obligation of the Federal Government. It also provides that appropriations for forest highways shall be available to the Commissioner of Public Roads for expenditure and shall be administered in conformity with regulations jointly approved by the Federal Works Administrator and the Secretary of Agriculture.

"The Commissioner of Public Roads is directed to transfer to the Chief of the Forest Service from appropriations for forest highways such amounts as may be needed to cover necessary administrative expenses of the Forest Service in connection with the forest-highway program.

"A proviso added at the end of section 3 (a) of the bill, as amended, makes it possible for a State wherein forest highways which cross national forest lands are located to utilize Federal-aid system funds, not covered by formal agreements with the Commissioner of Public Roads for the improvement of specific projects, for payment up to the full cost of construction of such forest highways...

"Section 3 (b) cancels the authorization in section 9 of the Federal-Aid Highway Act of 1944 for forest highways for the fiscal year ending June 30, 1948, since funds for forest highways are available for expenditure from

today, take a recess until 10:30 o'clock a. m. tomorrow.

Mr. BARKLEY. I feel it advisable to announce that the funeral of Secretary Schwellenbach will be at 11 o'clock a. m. tomorrow. Any Senators who feel they can attend I am sure will wish to know the hour of the service.

Mr. MURRAY. Mr. President, I have prepared a statement regarding the death of Secretary Schwellenbach which I should like to have appear in the RECORD at this point, as well as a number of statements by others along the same line.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MURRAY, OF MONTANA, ON THE DEATH OF SECRETARY SCHWELLENBACH

Judge Schwellenbach was one of the great men in our public life, and one of the quietest and most modest.

He came to prominence and power the hard way, through work and without any golden spoon. He was born in Wisconsin and moved with his family at an early age to Spokane, Wash.

His father died when he was quite young and at the age of 8 he was selling newspapers to help support his family. He went through school and then worked his way through the University of Washington, where he earned his law degree in 1917. He was a great debater and organized a Woodrow Wilson Club on the campus.

He served in the infantry in the First World War and went into law practice soon thereafter.

For more than a decade he was a practicing lawyer in the Northwest, gaining prestige by his political prowess as well as his great legal ability.

He was elected a United States Senator in 1934 and came to Washington the following year with a bright and aggressive group of liberal Democrats who came to be known as the Young Turks, of whom I was one. This group had strong leanings toward liberal and labor causes and he was one of the most forthright and outspoken of the group, another member of which is now the President of the United States. He supported liberal relief expenditures during the depression, anti-lynching legislation, the utilities holding company bill, reciprocal trade agreements, the Wage-Hour and the Wagner Labor Acts and expansion of old-age pensions. He was an active member of Senator Hugo L. Black's lobby investigating committee.

We entered the Senate together in 1935 and it was my pleasure to work with him on a very personal basis throughout his service in this body. He was one of the hardest working, conscientious, and sincere Members of the Senate. In 1945, when he returned to Washington as Secretary of Labor, we resumed that warm personal friendship. At that time I was chairman of the Senate Committee on Education and Labor and worked very closely with him on the common problems of that committee and his Department.

President Roosevelt in May 1940 appointed him Federal district judge of the eastern district of Washington, but despite the fact that some might have regarded this as a reward to the faithful, Schwellenbach stayed in the Senate for a few months and opposed the administration on the issue of peacetime conscription, which he warned could be extended to break down freedom in this country. He served illustriously for years on the bench, and he preferred judicial life and labor to any other occupation.

But 6 weeks after Harry S. Truman was sworn in as President, he announced the appointment of Lew Schwellenbach as Secretary of Labor. His first order directed Labor Department employees to execute the laws as they stood, because his experience in the Senate and on the bench convinced him there was a tendency in the executive branch to interpret the law in the way an administrative officer thinks it should be instead of following the law as written by Congress.

At the outset he also warned both labor and management that industrial peace and creation of jobs were a joint responsibility.

Secretary Schwellenbach in his 3 years of service had probably more large-size headaches than any other member of the Cabinet. He inherited the inevitable disruptions of labor-management relations that followed the end of the war. He handled the great labor disputes of 1946 with humbleness and dignity. He never sought to coerce or cajole either side. The record of his success is remarkable and the failures—those instances in which strikes did occur—cannot be blamed on any lack of understanding or effort on his part.

His administrative achievements were considerable. He reorganized the formless Conciliation Service. He brought labor and management consultants directly into the operation of this and other bureaus of the Department. He reestablished the tradition of free collective bargaining—a tradition and a practice which had largely been forgotten during the war years when compulsory mediation and arbitration of labor disputes had been accepted by this Nation as a necessary evil.

Secretary Schwellenbach led in the administration's effort to build up our national program of social and labor legislation, so that we as a people may keep up with the fast-running tides of economic and social change. He was the leader in the administration's drive for raising the Federal minimum wage, expanding the coverage of the Social Security Act, promoting legislation to deal with discrimination in the economic field and perhaps most important of all defending the rule of reason in the Government's function with relation to labor-management activities.

He recommended veto of the Taft-Hartley bill to President Truman, and it is reported widely that his advice to the President prevailed over the first advice of other members of the Cabinet.

The Secretary of Labor also established a program to help labor make its views heard in international affairs. He stimulated the many activities of the Department which deal with foreign labor problems and has obtained labor representation on many of the international bodies which deal with problems affecting American labor. He took an active part in the affairs of the International Labor Organization and has consulted with America's leaders of labor on the problems developing in the course of our efforts to further international understanding. For he realized that one of the basic problems of world peace is to bring peoples of various countries closer together. That job is more important probably even than bringing governments more closely together.

STATEMENT BY THE PRESIDENT

The White House issued this statement by the President:

"I have heard with deepest grief of the death of Lewis Schwellenbach. He was my warm personal friend. He was a great Senator, a great judge, and a great Secretary of Labor."

STATEMENT BY THE SECRETARY OF STATE

Secretary of State Marshall said:

"Secretary Schwellenbach's death comes as a great shock and a great sorrow to his friends and as a national bereavement to the Government and the people of the United States."

STATEMENT BY WILLIAM GREEN

President William Green of the American Federation of Labor today issued the following statement:

"I learned with deep regret of the sudden death of Secretary of Labor Lewis B. Schwellenbach. Throughout his public career, Secretary Schwellenbach evinced keen sympathy with the cause of the underprivileged and warm support for the interests of American workers.

"As Secretary of Labor, Mr. Schwellenbach strove courageously to bring about better relations between management and labor. His efforts to prevent the passage of anti-labor legislation and to advance social justice legislation were thwarted by a reactionary Congress which retaliated by amputating the scope and authority of the Department of Labor.

"Mr. Schwellenbach fought a good fight, although a losing one. His loss will be mourned by the American workers whose welfare he so stanchly defended."

CIO OFFICERS LAUD CAREER OF LEWIS B. SCHWELLENBACH

President Philip Murray and Secretary-Treasurer James B. Carey of the CIO today voiced grief over the death of Secretary of Labor Lewis Schwellenbach:

Mr. Murray's statement:

"The Nation has suffered a severe loss in the passing of Secretary of Labor Lewis B. Schwellenbach. In the Senate of the United States, on the Federal bench, and in his position as Secretary of Labor, he rendered brilliant, self-sacrificing service to his Nation and to the people.

"His conduct and administration of the affairs of the Department of Labor won for him the respect and admiration of organized labor. I had the honor to know him personally and I know, as millions of others know, that our country has suffered a great loss. In expressing these sentiments I bespeak the thoughts of millions of organized workers throughout the United States."

Mr. Carey's statement:

"Workers throughout the Nation will be grieved by the death of Lewis Schwellenbach. He was a fine public servant, as a Senator, as a judge, as head of the Department of Labor. Throughout his entire career, Lewis Schwellenbach was always loyal to a deep sense of humanitarianism. He wanted to see our country always better for its people. He cherished our finest democratic ideals; and he toiled unceasingly for the improvement of our people and our institutions.

"As one who knew Lewis Schwellenbach and worked with him for many years, I mourn his loss. The Department of Labor will miss his wise and able leadership. And members of the Congress of Industrial Organizations will feel the lack of his sage advice and friendly spirit."

STATEMENT BY SENATOR J. HOWARD M'GRATH, CHAIRMAN OF THE DEMOCRATIC NATIONAL COMMITTEE

In the death of Lewis B. Schwellenbach the country has lost a great Secretary of Labor and a stanch fighter for the welfare of the workingman. He has served with distinction and uncommon ability as a lawyer, legislator, jurist, and a member of the Cabinet. During these troubled postwar years, his leadership, his patience and understanding and his great ability have made immeasurable contributions toward true industrial peace and toward safeguarding the rights of the plain people of America. Those who have served with Secretary Schwellenbach in the fight for a better democracy have lost a leader and companion who will never be replaced.

But the devotion to duty which shortened his life's span will inspire us with renewed

determination to achieve the better America and the better world we sought together.

Mr. PEPPER. Mr. President, I wish to add my own testimony of tribute to what has already been said about the departed Secretary of Labor, Hon. Lewis M. Schwellenbach. I do not know of a man whom I have had the privilege of calling my friend, whom I deem a more faithful, a more honest and sincere public servant, than Lew Schwellenbach. Throughout his whole career he was a man of humane sentiments and of large human sympathy. Whether as a law professor, whether as a Senator, whether as a judge on the bench or as Secretary of Labor, he not only tried to do his duty, but he also tried to have due regard for the welfare and the well-being of the men, women, and children of the country.

He was a devoted family man, a loyal and beloved friend, an eminent lawyer, judge, Senator. He was a faithful, able, and selfless public servant.

The Nation is vastly poorer this day since Lew Schwellenbach has passed from our midst.

Mr. THOMAS of Utah. Mr. President, Lewis B. Schwellenbach might have remained on the Federal bench for many years. There, at least by comparison, the life he lived was serene. Instead, he chose to accept perhaps the most difficult assignment which faced any official of our domestic executive departments.

No situation existed, when the war suddenly ended, which presented such difficult and complex problems as the relations of management and labor. For 5 years the necessarily directive powers exercised by the War Labor Board had supplanted collective bargaining. Conflict between the economic forces of industry and workers was inevitable. There were many grievances and dissatisfactions which had smouldered throughout the crucial days of the war.

The President looked for a man to do this job. He found him in the man with whom he had entered the United States Senate in 1935. Lew Schwellenbach did not hesitate when asked to assume the vast responsibilities which then—as well as now—faced the Secretary of the United States Department of Labor.

He was the right man for the job, for he possessed those qualities and a varied experience which the job called for. His rise to prominence and distinction was not along a path of roses. As a boy he sold newspapers to help his widowed mother support the family. He worked his way through high school and college. He had barely obtained his degree in law before he temporarily abandoned his profession to serve his country as a private in World War I.

In the 25 years that have passed since Lewis Schwellenbach hung out his shingle, as lawyer, judge, and Senator he has fought for the betterment of all the people. As an attorney, he fought for public ownership of public utilities. As advocate of workingmen, he fought for the legal rights of strikers to picket to redress the wrongs to which they had been subjected. As a Member of this body he helped to prepare, and supported throughout, the social legislation which marked the first two terms of the Roosevelt administration. Many of us remember with respect and admiration the courage, resourcefulness, and tenacity with which he initiated and defended some of those measures.

Though assured of renomination, Lew Schwellenbach left the Senate in 1940 to accept an appointment to the Federal bench in his home State of Washington, where he served with distinction for 5 years. It is but another example of his courage that he forsook the calm of the court for the arena of battle when his sense of duty called.

As Secretary of Labor, he administered the laws of his Department as they were written, without fanciful interpretations to change their intent. He was just where judicial conduct was appropriate. With equal conviction, he also was an eloquent pleader for labor in those situations which called for the exercise of the duties of his office. As a friend, I mourn him. As a former colleague, I pay homage to his memory.

Mr. HILL. Mr. President, I wish to join in tribute to Lew Schwellenbach. When I entered the Senate I soon found myself in happy association with him. He was my friend and always the steadfast and helpful friend.

In this body he was ever on the side of the plain people fighting their battles, working indefatigably to advance their welfare and their security, to promote their progress and their happiness. He was always the stalwart champion of their cause.

As lawyer, legislator, jurist and cabinet member, Lew Schwellenbach served our country with devotion and distinction. As the Senator from Utah [Mr. THOMAS] has suggested his services to the American people hastened his life to an untimely end. So long as men struggle for freedom and a better democracy his memory will be cherished. Those of us who were privileged to know him and work with him will never cease to miss him. There was no finer, braver, manlier man.

TRIBUTE TO LEWIS B. SCHWELLENBACH

Mr. HATCH. Mr. President, while the call of the calendar is interrupted, I wish to take this opportunity for just a brief moment to join with those Senators who have risen to speak of the passing of our former colleague, Secretary of Labor Schwellenbach. I was impressed by what was said by the Senator from Utah concerning Judge Schwellenbach, as he was then known, giving up his office to return to Washington.

It happens, Mr. President, that I know from close and intimate association with Senator Schwellenbach, when he was a Member of this body, that he was in ill health and that that was one of the reasons for his retiring to accept a position on the bench in the State of Washington.

I visited him in his home subsequently. I found him completely restored to health, living a happy life, doing the work he loved to do, among people whom he loved so much.

When President Truman asked Judge Schwellenbach to become Secretary of Labor, I know that his response to the call was, as was said by the Senator from Utah [Mr. THOMAS], simply his response to the call of duty. He came back to Washington to undertake the strenuous duties of the office of Secretary of Labor, knowing full well that his health might again be impaired as it had been previously. But he put duty, responsibility, and loyalty above his personal health. Perhaps this day he paid the supreme sacrifice of loyalty to country by his death, which so unfortunately occurred this morning.

I know, Mr. President, that among his outstanding characteristics perhaps there was no greater trait than his absolute and firm belief in the principles of democracy. He believed not passively, but actively and vigorously, in the rights of all people to govern themselves.

"Lew" Schwellenbach was a true Democrat. I can pay him no greater tribute than to say that wherever freedom was imperiled, wherever the rights and liberties of free citizens were encroached upon, there was always a stout and courageous defender in our former colleague, Senator Schwellenbach.

With his devoted wife and all his friends and associates, I join in the expression of sorrow and sadness at his passing.

LABOR AND POST OFFICE DEPARTMENT APPROPRIATIONS — CONFERENCE REPORT

Mr. CORDON presented the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 14.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 6, 8, 9, 10, 17, 18, 19, 25, 29 and 30, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$125,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$4,250,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$52,000,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$174,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree

to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$19,584,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$193,584,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$12,500,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert the following: "$1,500,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$505,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$172,150"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$2,114,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$12,600,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$2,900,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$17,500"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following "23,042,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$23,042,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$7,658,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$14,750,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$42,457,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 12, 15 and 34.

GUY CORDON,
CLYDE M. REED,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
KENNETH MCKELLAR,
CARL HAYDEN,
Managers on the Part of the Senate.

GORDON CANFIELD,
EVERETT M. DIRKSEN,
P. W. GRIFFITHS,
GEO. B. SCHWABE,
J. VAUGHAN GARY,
JOE B. BATES,
HENRY M. JACKSON,
Managers on the Part of the House.

Mr. CORDON. Mr. President, I ask unanimous consent for the present consideration of the conference report.

There being no objection, the Senate proceeded to consider the report.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. McMAHON. Mr. President, I should like to ask the Senator from Oregon what has been done on the subject of typewriters? I notice in the conference report the statement:

> That the House recede from its disagreement to the amendment of the Senate No. 15 to said bill and concur therein with an amendment—

Which is that—

> notwithstanding the foregoing paragraphs, in the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters out of stock on hand, he may purchase typewriters for the account of such agency—

And so forth. I should like to know what was done about it.

Mr. CORDON. The bill provides first for the inventorying of all surplus typewriters in all the departments of the Government, the allocation of such surplus typewriters by the Director of the Bureau of Supply, and in case where there are not adequate surplus typewriters, for the purchase by the Director of typewriters of such and such a make at a price of not to exceed 90 percent of the lowest list price of the manufacturer, plus the tax, which, of course, is simply canceled.

Mr. McMAHON. Once again one product in the whole range of everything the Government buys has been singled out and a selling price set upon it. Is that correct?

Mr. CORDON. Well, a ceiling price has been set.

Mr. McMAHON. That has not been done with respect to automobiles. It has not been done with respect to anything else the Government buys, except typewriters.

Mr. CORDON. Not by law.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. CORDON. I yield.

Mr. BALDWIN. In connection with the percentage of the list price permitted, did the committee take into consideration the fact that some of the discounts allowed by the companies are not on the same level? It seems to me, from the way the bill is now drafted that there will be a differentiation between the different typewriter manufacturers. Can the Senator advise me on that point?

Mr. CORDON. The measure does not attempt to set a uniform price on the machines which the manufacturers make. It sets a percentage of the list net price of a manufacturer.

Mr. BALDWIN. What was the reason for the conference singling out this one particular product among all other products procured for the Government? Why should it be picked out of all the other items the Government has to buy and this particular qualification attached to it?

Mr. CORDON. I cannot read the minds of those who considered the matter. The Senator from Oregon is satisfied that this particular method of pricing is sound in view of the vast number of typewriters which must be purchased, and the very small number of manufacturers of typewriters, and the known facts with reference to the discounts in the sales of the various makes of typewriters.

Mr. McMAHON. Mr. President, I should like the Senator to know that, so far as I am personally concerned, representing a State in which about 80 percent of the typewriters of the country are made, I intend, and I am sure my colleague will join me in the intention, to see if we cannot eliminate this discrimination in any future bill providing for the purchase of typewriters.

Mr. BALDWIN. I should like to associate myself with my colleague from Connecticut in what he has said. It seems to me that here is a discrimination against a particular item of manufacture which, in my opinion, is highly unjustified. We from Connecticut on not only this occasion but on many others have tried to eliminate the discrimination, and I think it should be eliminated.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. AIKEN. Does the bill carry an appropriation for the purchase of typewriters?

Mr. CORDON. It does.

Mr. AIKEN. The Government already owns practically three typewriters for every employee qualified to use them. What is the purpose of the item in the bill?

Mr. CORDON. The bill provides for the inventorying of all typewriters in any department of the Government before any purchase is made.

Mr. AIKEN. Does it require the use of the surplus typewriters?

Mr. CORDON. It does.

Mr. AIKEN. That is a perfectly legitimate purpose, because today the Government has more typewriters than there are employees qualified to use them.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. McMAHON. In answer to the observation made by the Senator from Vermont I desire the RECORD to show that I do not want the Government to purchase one single typewriter it does not need whether made in Connecticut or Vermont or Kalamazoo. But my point is that when it does purchase typewriters it should purchase them on the same basis that it purchases any other item the Government buys.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. LANGER. Relative to the question of surplus typewriters, I should appreciate very much if the Senator, should he know where such typewriters could be obtained, would let me know about it, so we can give the various postmasters in the little towns a typewriter apiece. Some of the typewriters used in small post offices are 30 years old. The postmasters in many of the towns have written to the Post Office Department asking for new typewriters, and were told the Department did not have money with which to buy any. So if the Senator will let me know where surplus Government typewriters can be obtained I shall be glad to attempt to locate them.

Mr. CORDON. The inventories taken indicate that there is a vast number of surplus typewriters, and the Senator may locate them through the Director of the Bureau of Supply.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. BALDWIN. I wish to say further that the typewriter manufacturers and makers in Connecticut do not want the Government to have any more typewriters than it needs. If the Government does not need any, it should not buy them. On the other hand, when it does get around to buying typewriters it should buy them on the same basis as it buys all other things it needs. Typewriters should not be discriminated against as they are in the bill.

Mr. HAWKES. Mr. President, will the Senator yield.

Mr. CORDON. I yield.

Mr. HAWKES. I wish to say to the Senator from Oregon that there is a great deal of misunderstanding respecting the surplus of typewriters. I want to say for the RECORD that if a young woman or a young man who is being paid three or four thousand dollars a year by the Government has to use a decrepit typewriter, which does not function, it means the loss of a great deal more money than if a new and perfect typewriter were bought for the use of the operator and the old one were turned in as part payment.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 5770, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 8, 1948.

Resolved, That the House recede from its disagreement to the amendment of the Senate No. 12 to the bill (H. R. 5770) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate No. 15 to said bill and concur therein with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following:

"Notwithstanding the foregoing paragraphs, in the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters out of stock on hand, he may purchase typewriters for the account of such agency: *Provided,* That the price paid during any quarter of the fiscal year for such typewriters shall not exceed 90 percent of the lowest net cash price, plus applicable Federal excise taxes, accorded the most-favored customer (other than the Government of the United States, or any agency thereof, and purchasers of typewriters for educational instruction purposes only) of the manufacturer of such machines during the 6-month period immediately preceding such quarter."

That the House recede from its disagreement to the amendment of the Senate No. 34 to said bill and concur therein with an amendment as follows: In line 5 of said amendment, strike out the word "same" and insert "said."

Mr. CORDON. Mr. President, I move that the Senate concur in the amendments of the House to Senate amendments numbered 15 and 34.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oregon.

The motion was agreed to.

CONSTRUCTION AT NAVAL INSTALLATIONS—CONFERENCE REPORT

Mr. SALTONSTALL submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1675) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with amendments as follows:

On page 2 of the House engrossed amendment, lines 15 and 16, strike out "one hundred and fifteen duplex houses (two hundred and thirty family units)" and insert in lieu thereof "housing facilities for two hundred and thirty families."

On page 2 of the House engrossed amendment, line 20, strike out "Jersey City" and insert in lieu thereof "Lake Denmark."

On page 8 of the House engrossed amendment, line 23, after the word "unit", insert a colon and the following: "*Provided further,* That in any case in which the construction at any station of family quarters having a net floor area in excess of one thousand and eighty square feet is prohibited by the provisions of the foregoing proviso, an equal number of family quarters having a net floor area not in excess of one thousand and eighty square feet may be constructed at such station and any funds saved as a result of the construction of such smaller family quarters or as a result of the succeeding proviso may be utilized to construct family quarters having a net floor area not in excess of one thousand and eighty square feet at any Navy station scheduled for retention in the permanent Military Establishment."

On page 10 of the House engrossed amendment, line 6, strike out "$91,949,950" and insert in lieu thereof "$92,932,600."

On page 10 of the House engrossed amendment, line 8, strike out "$116,532,953" and insert in lieu thereof "$116,756,900."

And the House agree to the same.

CHAN GURNEY,
LEVERETT SALTONSTALL,
RAYMOND E. BALDWIN,
RICHARD B. RUSSELL,
HARRY F. BYRD,
Managers on the Part of the Senate.

GEORGE J. BATES,
L. C. ARENDS,
W. STERLING COLE,
LANSDALE G. SASSCER,
Managers on the Part of the House.

LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, several Senators have asked whether or not there will be a night session. I announced at the beginning of the session that there would be no night session tonight. The unfinished business now is the United Nations resolution, which will be presented tomorrow. It is our intention, if it meets with the approval of Members of the Senate, to begin the session tomorrow at 10:30 a. m. We have a big day ahead of us, and we feel that if we do not have a night session tonight, we can probably gain 30 minutes tomorrow. I may also say that there will be sessions on Friday and Saturday.

It is our intention, when consideration of the United Nations resolution has been concluded, if it meets with the approval of the Senate, to make the reciprocal trade agreements bill the unfinished business.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MAYBANK. Has the Senator considered the possibility of a Saturday night session?

Mr. WHERRY. There is no intention to have a session on Saturday night.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. AIKEN. Is it the purpose to complete the call of the calendar tonight?

Mr. WHERRY. Yes.

Mr. AIKEN. What about the 35 bills which have been reported and which are on the calendar, but not in the folders?

Mr. WHERRY. We shall take care of the bills on the calendar. There are some reports which are not available. We shall have to ask the indulgence of Senators. It is intended to have a call of the calendar next week, to give Senators an opportunity to obtain consideration of bills.

THE CALENDAR

The PRESIDENT pro tempore. Pursuant to the order of the Senate, the clerk will state the first business on the calendar.

[Public Law 640—80th Congress]

[Chapter 466—2d Session]

[H. R. 5770]

AN ACT

Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TREASURY DEPARTMENT

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department for the fiscal year ending June 30, 1949, namely:

Office of the Secretary

Salaries: For personal services in the District of Columbia, $380,000: *Provided*, That no part of the money appropriated shall be used to pay the salaries of more than fifteen messengers assigned to duty in the Office of the Secretary.

Personal or property damage claims: For payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921), $30,000.

Penalty mail costs: For deposit in the Treasury for penalty mail of the Treasury Department (39 U. S. C. 321d), $5,900,000.

Refunds under Renegotiation Act: To enable the Secretary of the Treasury to make refunds required by section 403 (a) (4) (D) (relating to the recomputation of the amortization deduction) and by the last sentence of section 403 (i) (3) (relating to excess inventories) of the Renegotiation Act; and to refund any amount finally adjudged or determined to have been erroneously collected by the United States pursuant to a unilateral determination of excessive profits, with interest thereon (at a rate not to exceed 4 per centum per annum) as may be determined by the War Contracts Price Adjustment Board, such interest to be computed to the date of certification of the amount to the Treasury Department for payment; $2,000,000: *Provided*, That to the extent refunds are made from this appropriation of excessive profits collected under the Renegotiation Act and retained by the Reconstruction Finance Corporation or any of its subsidiaries, the Reconstruction Finance Corporation or the appropriate subsidiary shall reimburse this appropriation: *Provided further*, That the War Contracts Price Adjustment Board or its duly authorized representatives shall certify the amount of any refunds to be made in pursuance hereof to the Secretary of the Treasury who shall make payment upon such certificate in lieu of any voucher which might otherwise be required.

DIVISION OF TAX RESEARCH

Salaries: For personal services in the District of Columbia, $125,000.

OFFICE OF GENERAL COUNSEL

Salaries: For personal services in the District of Columbia, $250,000.

Salaries and expenses, Office of Contract Settlement: For necessary expenses, including contract stenographic reporting services, to carry out the provisions of the Contract Settlement Act of 1944, $75,000.

DIVISION OF PERSONNEL

Salaries: For personal services in the District of Columbia, $120,000.

Health service programs, Treasury Department: For health service programs, as authorized by law (5 U. S. C. 150), for employees of the Department in the District of Columbia, $70,000: *Provided*, That other appropriations in this Act shall be available for health service programs in the field.

OFFICE OF CHIEF CLERK

Salaries: For personal services in the District of Columbia, $300,000.

MISCELLANEOUS EXPENSES, TREASURY DEPARTMENT

Miscellaneous expenses: For necessary expenses of the Office of the Secretary and the bureaus and offices of the Treasury Department, not otherwise provided for, including operating expenses of the Treasury, Treasury Annex, Auditors', and Liberty Loan Buildings, and including not to exceed $25,000 for printing and binding and purchase of materials for the use of the bookbinder located in the Treasury Department; $240,000.

OFFICE OF SUPERINTENDENT OF TREASURY BUILDINGS

Salaries: For personal services in the District of Columbia, including the operating force of the Treasury Building, the Treasury Annex, the Liberty Loan Building, the Auditors' Building, and the west and south annexes thereof, $645,000.

FISCAL SERVICE

BUREAU OF ACCOUNTS

Salaries and expenses: For necessary expenses in the District of Columbia, including contract stenographic reporting services and not to exceed $50,000 for printing and binding, $1,475,000: *Provided*, That from the amount appropriated herein, the Federal Reserve banks and their branches may be reimbursed for printing and binding and other necessary expenses incident to the deposit of withheld taxes in Government depositories pursuant to the Current Tax Payment Act of 1943.

Salaries and expenses: For necessary expenses of the Division of Disbursement, including personal services in the District of Columbia, and printing and binding, $10,000,000: *Provided*, That with the

approval of the Bureau of the Budget there may be transferred to this appropriation from Railroad Retirement Board, "Conservation and use of agricultural land resources, Department of Agriculture," and from available corporate funds of Government-owned or -controlled corporations, such sums as may be necessary to cover the expense incurred in performing the function of disbursement therefor.

Contingent expenses, public moneys: For contingent expenses under the requirements of section 3653 of the Revised Statutes (31 U. S. C. 545), for the collection, safekeeping, transfer, and disbursement of the public money, transportation of notes, bonds, and other securities of the United States, transportation of gold coin and gold certificates transferred to Federal Reserve banks and branches, United States mints and assay offices, and the Treasury, after March 9, 1933, actual expenses of examiners detailed to examine the books, accounts, and money on hand at the several depositories, including national banks acting as depositories under the requirements of section 3649, Revised Statutes (31 U. S. C. 548), also including examinations of cash accounts at mints, $375,000.

Recoinage of silver coins: For expenses necessary to continue the recoinage of worn and uncurrent subsidiary silver coins of the United States now in the Treasury or hereafter received, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coins and the amount the same will produce in new coins, $150,000.

Relief of the indigent, Alaska: For the payment to the United States district judges in Alaska (not to exceed 10 per centum of the receipts from licenses collected outside of incorporated towns in Alaska), to be expended for the relief of persons in Alaska who are indigent and incapacitated through nonage, old age, sickness, or accident, $18,000.

Refund of moneys erroneously received and covered: For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 18 of the Permanent Appropriation Repeal Act of 1934, approved June 26, 1934, and any other collections erroneously received and covered which are not properly chargeable to any other appropriation, $700,000.

Payment of certified claims: For the payment of claims (not to exceed $500 in any case) which may be certified during the fiscal year 1949 by the Comptroller General of the United States to be lawfully due, within the limits of, and chargeable against the balances of the respective appropriations heretofore made which, after remaining unexpended, have been carried to the surplus fund pursuant to section 5 of the Act of June 20, 1874 (31 U. S. C. 713), $800,000.

Payment of unclaimed moneys: For meeting any expenditures of the character formerly chargeable to the appropriation accounts abolished under section 17 of the Permanent Appropriation Repeal Act of 1934, approved June 26, 1934, payable from the funds held by the United States in the trust fund receipt account "Unclaimed moneys of individuals whose whereabouts are unknown", $100,000.

BUREAU OF THE PUBLIC DEBT

Administering the public debt: For necessary expenses connected with any public-debt operations authorized by the Second Liberty Bond Act, as amended (31 U. S. C. 760–762), and with the administra-

tion of any public debt or currency issues of the United States with which the Secretary of the Treasury is charged, including not to exceed $4,250,000 for promoting the sale of savings bonds, $52,000,000, to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided*, That from the amount appropriated herein, the Federal Reserve banks and their branches may be reimbursed for expenditures made by them as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury, and advances to the Postmaster General may be made in accordance with the provisions of section 22 (e) of the Second Liberty Bond Act, as amended (31 U. S. C. 757c (e)), which section shall be construed as applying to this appropriation: *Provided further*, That the indefinite appropriation provided by section 10 of the Second Liberty Bond Act, as amended, shall not be available for obligation during the fiscal year 1949.

Distinctive paper for United States currency: For distinctive paper for United States currency, including transportation of paper, traveling, mill, and other necessary expenses, and salaries of employees and allowance, in lieu of expenses, of officer or officers detailed from the Treasury Department, not exceeding $50 per month each when actually on duty, $1,300,000: *Provided*, That in order to foster competition in the manufacture of distinctive paper for United States securities, the Secretary of the Treasury is authorized, in his discretion, to split the award for such paper for the fiscal year 1949 between the two bidders whose prices per pound are the lowest received after advertisement.

OFFICE OF THE TREASURER OF THE UNITED STATES

Salaries and expenses: For necessary expenses of the Office of the Treasurer, including not to exceed $100,000 for printing and binding, $4,980,000: *Provided*, That with the approval of the Bureau of the Budget, there may be transferred to this appropriation, from Railroad Retirement Board, "Conservation and use of agricultural land resources, Department of Agriculture," and from available corporate funds of Government owned or controlled corporations, such sums as may be necessary to cover the expenses incurred in the clearing of checks, servicing of bonds, handling of collections, and rendering of accounts therefor.

BUREAU OF INTERNAL REVENUE

Salaries and expenses: For necessary expenses in connection with the assessment and collection of internal-revenue taxes and the administration of the internal-revenue laws, including the administration of such provisions of other laws as are authorized by or pursuant to law to be administered by or under the direction of the Commissioner of Internal Revenue, including one stamp agent (to be reimbursed by the stamp manufacturers) and the employment of experts; the securing of evidence of violations of the Acts, the cost of chemical analyses made by others than employees of the United States and expenses incident to such chemists testifying when necessary; neces-

sary expenses incurred in making investigations in connection with the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters, expenses of seizure and sale, and contract stenographic reporting services; for the acquisition of property under the provisions of title III of the Liquor Law Repeal and Enforcement Act, approved August 27, 1935 (49 Stat. 872–881), and the operation, maintenance, and repair of property acquired under such title III; purchase, for replacement (not to exceed three hundred and thirty-four) and hire of passenger motor vehicles, as follows: for personal services, $174,000,000, of which not to exceed $16,530,000 may be expended for personal services at the seat of Government; and for objects of expenditure other than personal services, $19,584,000, including printing and binding (not to exceed $2,576,500), stationery (not to exceed $1,500,000), ammunition, and not to exceed $500,000 for detecting and bringing to trial persons guilty of violating the internal-revenue laws or conniving at the same, including payments for information and detection of such violation; in all for salaries and expenses, $193,584,000: *Provided*, That not to exceed $150,000 of the amount appropriated under this head for the fiscal year 1949 shall be available for expenses by contract or otherwise, of such management and operational studies as are necessary in the Bureau of Internal Revenue.

Additional income tax on railroads in Alaska: For the payment to the Treasurer of Alaska of an amount equal to the tax of 1 per centum collected on the gross annual income of all railroad corporations doing business in Alaska, on business done in Alaska, which tax is in addition to the normal income tax collected from such corporations on net income, the amount of such additional tax to be applicable to general Territorial purposes, $4,500.

BUREAU OF NARCOTICS

Salaries and expenses: For expenses, including the securing of information and evidence, necessary to enforce sections 2550–2565; 2567–2571; 2590–2603; 3220–3228; 3230–3238 of the Internal Revenue Code; the Narcotic Drugs Import and Export Act, as amended (21 U. S. C. 171–184); the Act of June 14, 1930 (5 U. S. C. 282–282c and 21 U. S. C. 197–198) and the Opium Poppy Control Act of 1942 (21 U. S. C. Supp. V, 188–188n), including the employment of attorneys; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); the costs of chemical analyses made by others than employees of the United States; cost incurred by officers and employees of the Bureau of Narcotics in the seizure, forfeiture, storage, and disposition of property under the Act of August 9, 1939 (49 U. S. C. 781–788), and the internal-revenue laws; hire of motor vehicles; purchase of arms and ammunition; in all, $1,450,000, including personal services in the District of Columbia and printing and binding; not exceeding $10,000 for the collection and dissemination of information and appeal for law observance and law enforcement, including cost of printing, and not exceeding $10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice.

BUREAU OF ENGRAVING AND PRINTING

For the work of engraving and printing, exclusive of repay work, United States currency and internal-revenue stamps, including opium orders and special-tax stamps required under the Act of December 17, 1914 (26 U. S. C. 1040, 1383), checks, drafts, and miscellaneous work, as follows:

Salaries and expenses: For the Director, two Assistant Directors, and other personal services in the District of Columbia, including wages of rotary press plate printers at per diem rates and all other plate printers at piece rates to be fixed by the Secretary of the Treasury, not to exceed the rates usually paid for such work; and other necessary expenses, including engravers' and printers' materials and other materials, including distinctive and nondistinctive paper, except distinctive paper for United States currency and Federal Reserve bank currency; purchase of card and continuous form checks; equipment of, repairs to, and maintenance of buildings and grounds and minor alterations to buildings; periodicals, examples of engraving and printing, including foreign securities and stamps, and books of reference, not to exceed $500; traveling expenses not to exceed $15,000; printing and binding; transfer to the Bureau of Standards for scientific investigations in connection with the work of the Bureau of Engraving and Printing, not to exceed $15,000; $12,500,000, to be expended under the direction of the Secretary of the Treasury.

During the fiscal year 1949 all proceeds derived from work performed by the Bureau of Engraving and Printing, by direction of the Secretary of the Treasury, not covered and embraced in the appropriations for such Bureau for such fiscal year, instead of being covered into the Treasury as miscellaneous receipts, as provided by the Act of August 4, 1886 (31 U. S. C. 176), shall be credited when received to the appropriations for such Bureau for the fiscal year 1949.

SECRET SERVICE DIVISION

Salaries and expenses, Secret Service: For expenses necessary in detecting, arresting, and delivering into the custody of the United States marshal or other officer having jurisdiction, dealers and pretended dealers in counterfeit money, persons engaged in counterfeiting, forging, and altering United States notes, bonds, national bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments (including endorsements thereon and assignments thereof), as well as the coins of the United States and of foreign governments, and persons committing other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control, and for the protection of the person of the President and the members of his immediate family and of the person chosen to be President of the United States, including personal services in the District of Columbia; purchase (not to exceed sixteen for replacement only) and hire of passenger motor vehicles; printing and binding; and purchase of arms and ammunition; $1,715,000: *Provided*, That of the amount herein appropriated not to exceed $15,000 may be expended, with the

approval of the Chief of the Secret Service, for the purpose of securing information concerning violations of the laws relating to the Treasury Department and for services or information looking toward the apprehension of criminals.

Salaries and expenses, White House Police: For salaries and expenses, including uniforms and equipment, purchase and repair of revolvers, and the purchase and issue of ammunition and miscellaneous supplies, to be purchased in such manner as the President may determine, $370,000.

Salaries and expenses, guard force, Treasury buildings: For expenses of the guard force for Treasury Department buildings in the District of Columbia, including the Bureau of Engraving and Printing, and elsewhere, including purchase, repair, and cleaning of uniforms, purchase of two passenger motor vehicles for replacement only, and the purchase of arms and ammunition and miscellaneous equipment, $645,000: *Provided*, That not to exceed $168,925 of the appropriation "Salaries and expenses, Bureau of Engraving and Printing", may be transferred to this appropriation to cover service rendered such Bureau in connection with the protection of currency, bonds, stamps, and other papers of value the cost of producing which is not covered and embraced in the direct appropriations for such Bureau: *Provided further*, That the Secretary of the Treasury may detail two agents of the Secret Service to supervise such force.

Reimbursement to District of Columbia, benefit payments to White House Police and Secret Service forces: For reimbursement to the District of Columbia on a monthly basis for benefit payments made from the revenues of the District of Columbia to members of the White House Police force and such members of the United States Secret Service Division as are entitled thereto under the Act of October 14, 1940 (54 Stat. 1118), to the extent that such benefit payments are in excess of the salary deductions of such members credited to said revenues of the District of Columbia during the fiscal year 1949, pursuant to section 12 of the Act of September 1, 1916 (39 Stat. 718), as amended, $84,600.

BUREAU OF THE MINT

Salaries and expenses: For necessary expenses at the mints at Philadelphia, Pennsylvania, San Francisco, California, and Denver, Colorado; the assay offices at New York, New York, and Seattle, Washington; the bullion depositories at Fort Knox, Kentucky, and West Point, New York; the Office of the Director of the Mint; and for carrying out the provisions of the Gold Reserve Act of 1934 and the Silver Purchase Act of 1934, including personal services in the District of Columbia, printing and binding, new machinery and repairs, arms and ammunition, purchase and maintenance of uniforms and accessories for guards, protective devices, and their maintenance, training of employees in use of firearms and protective devices, cases and enameling for medals manufactured, net wastage in melting and refining and in coining departments, loss on sale of sweeps arising from the treatment of bullion and the manufacture of coins, not to exceed $1,000 for the expenses of the annual assay commission, and not exceeding $1,000 for the acquisition, at the dollar face amount or otherwise, of specimen and rare coins, including United States and foreign gold coins and pieces of gold

used as, or in lieu of, money, and ores, for addition to the Government's collection of such coins, pieces, and ores; $4,500,000.

Transportation of bullion and coin: For transportation of bullion and coin, between mints, assay offices, and bullion depositories, $5,000, including compensation of temporary employees and other necessary expenses.

BUREAU OF FEDERAL SUPPLY

Salaries and expenses: For necessary expenses, including personal services in the District of Columbia and in the field service, office supplies and materials, stationery, fuel, light, electric current, and other expenses for carrying into effect regulations governing the procurement, warehousing, and distribution by the Bureau of Federal Supply of the Treasury Department of property, equipment, stores, and supplies in the District of Columbia and in the field, $1,275,000: *Provided*, That the Secretary of the Treasury is authorized and directed to transfer to this appropriation from any appropriations or funds available to the several departments and establishments of the Government such amounts as may be approved by the Bureau of the Budget, not to exceed the sum of (a) the amount of the annual compensation of employees who may be transferred or detailed to the Bureau of Federal Supply, respectively, from any such department or establishment, where the transfer or detail of such employee is incident to a transfer of a function or functions to that Bureau and (b) such amount as the Bureau of the Budget may determine to be necessary for expenses other than personal services incident to the proper carrying out of functions so transferred: *Provided further*, That when there has been or shall be transferred from any agency of the Government to the Bureau of Federal Supply any function of warehousing, and the agency from which such function is being transferred is authorized at the time of such transfer to perform functions of procurement, warehousing, or distribution of property, equipment, stores, or supplies for non-Federal agencies the Bureau of Federal Supply is authorized to continue the performance of such functions for such non-Federal agencies where such functions are to be discontinued by the agency from which the warehousing function has been transferred, and the receipts, including surcharge, for all issues to and all advances by all non-Federal agencies shall be credited to the general supply fund: *Provided further*, That payments to the general supply fund for materials, and supplies (including fuel), and services, and overhead expenses for all issues shall be made on the books of the Treasury Department by transfer and counterwarrants prepared by the Bureau of Federal Supply of the Treasury Department and countersigned by the Comptroller General, such warrants to be based solely on itemized invoices prepared by the Bureau of Federal Supply at issue prices to be fixed by the Director of Federal Supply: *Provided further*, That payments covering transactions between the Bureau of Federal Supply and field offices of other Government agencies whose detailed appropriation or fund accounts are maintained elsewhere than within the District of Columbia, may be made on the basis of itemized vouchers or invoices prepared by the Bureau of Federal Supply and sent through the appropriate field offices to the disbursing officers for the agencies involved, who are

hereby authorized to make payment based (1) upon certification of the Bureau of Federal Supply, which shall include the specific statement that the vouchers are issued pursuant to and in conformity with purchase orders or requisitions duly executed by the agency billed, and (2) upon approval and certification of such vouchers by the agency billed, which action shall be based upon acceptance of the Bureau of Federal Supply certification as made, subject to later adjustment if necessary, the responsibility of the certifying officer to be limited to the availability of the funds to be charged: *Provided further*, That the general supply fund may be used to purchase from or through the Public Printer standard forms and blank-book work for field warehouse stocking and issue, but issues thereof shall be made only to Government agencies and shall be chargeable to applicable appropriation authorizations or limitations of such agencies for printing and binding, and reports of such issues shall be made as the Public Printer may require: *Provided further*, That advances received pursuant to law (31 U. S. C. 686) from departments and establishments of the United States Government and the government of the District of Columbia during the fiscal year 1949 shall be credited to the general supply fund: *Provided further*, That per diem employees engaged in work in connection with operations of the fuel yards may be paid rates of pay approved by the Secretary of the Treasury not exceeding current rates for similar services in the District of Columbia: *Provided further*, That the term "fuel" shall be held to include "fuel oil": *Provided further*, That the reconditioning and repair of surplus property and equipment for disposition or reissue to Government service, may be made at cost by the Bureau of Federal Supply, payment therefor to be effected by charging the proper appropriation and crediting the general supply fund.

Repairs to typewriting machines (except bookkeeping and billing machines) in the Government service in the District of Columbia and areas adjacent thereto may be made at cost by the Bureau of Federal Supply, payment therefor to be effected by charging the proper appropriation and crediting the general supply fund.

No part of any money appropriated by this or any other Act shall be used during the fiscal year 1949 for the purchase, within the continental limits of the United States, of any typewriting machines (except bookkeeping and billing machines and typewriting machines for veterans under public laws administered by the Veterans' Administration).

Each agency in the executive branch of the Government (which shall include all departments, independent establishments, and wholly owned Government corporations) is authorized and directed (1) to report within thirty days after the enactment of this Act, or by July 1, 1948, whichever is the later, to the Director of the Bureau of Federal Supply the total number of typewriting machines in the possession or custody of such agency and the number thereof surplus to its requirements, and (2) to surrender and ship such surplus typewriting machines as the Director of the Bureau of Federal Supply may direct. Costs of packing and shipping hereunder shall be charged to the general supply fund. Each agency shall furnish the Director of the Bureau of Federal Supply such information regarding type-

writing machines as he may from time to time request. The Bureau of Federal Supply is authorized and directed to receive and hold all typewriting machines surrendered to it hereunder and to distribute same to any of such agencies as the Director of the Bureau of Federal Supply may determine. Notwithstanding the foregoing paragraphs, in the event the Director of the Bureau of Federal Supply is unable to furnish any such agency with suitable typewriters out of stock on hand, he may purchase typewriters for the account of such agency: *Provided*, That the price paid during any quarter of the fiscal year for such typewriters shall not exceed ninety per centum of the lowest net cash price, plus applicable Federal excise taxes, accorded the most favored customer (other than the Government of the United States, or any agency thereof, and purchasers of typewriters for educational instruction purposes only) of the manufacturer of such machines during the six-month period immediately preceding such quarter.

The Director of the Bureau of Federal Supply is authorized and directed at such times as he may determine to be necessary to survey and determine the number and kinds of typewriters which are at any time surplus to the requirements of any agency. Upon such determination the Director of the Bureau of Federal Supply is authorized to direct, upon such notice and in such manner as he may prescribe, the head of any agency to surrender to the Bureau of Federal Supply any and all typewriting machines, surplus to its requirements, and such determination and direction by the Director of the Bureau of Federal Supply shall be final and conclusive upon all agencies, officers, and employees of the executive branch of the Government of the United States.

The Director of the Bureau of Federal Supply is authorized to charge each agency to which typewriting machines are supplied hereunder amounts equal to the fair value thereof, as determined by him, and such amounts shall be credited to the general supply fund.

General supply fund, Bureau of Federal Supply: To increase the general supply fund established by the Act approved February 27, 1929, as amended (41 U. S. C. 7c), $1,500,000.

Printing and binding: For printing and binding for the Bureau of Federal Supply, including printed forms and miscellaneous items for general use of the Treasury Department, the cost of transportation to field offices of printed and bound material and the cost of necessary packing boxes and packing materials, $170,000, together with not to exceed $30,000 to be transferred from the general supply fund, Treasury Department.

Net renegotiation rebates: For necessary expenses, including personal services in the District of Columbia, in connection with the processing and determination of net renegotiation rebates under section 403 (a) (4) (D) of the Renegotiation Act, $125,000.

No part of any appropriation or authorization in this Act shall be used to pay any part of the salary or expenses of any person whose salary or expenses are prohibited from being paid from any appropriation or authorization in any other Act.

This title may be cited as the "Treasury Department Appropriation Act, 1949".

TITLE II—POST OFFICE DEPARTMENT

The following sums are appropriated in conformity with 5 United States Code 361, 380; 39 United States Code 786, for the Post Office Department for the fiscal year ending June 30, 1949, namely:

POST OFFICE DEPARTMENT, WASHINGTON, DISTRICT OF COLUMBIA

OFFICE OF THE POSTMASTER GENERAL

Salaries: For the Postmaster General and other personal services in the office of the Postmaster General in the District of Columbia, including a health service program as authorized by law (5 U. S. C. 150), $395,000.

SALARIES IN BUREAUS AND OFFICES

For personal services in the District of Columbia in bureaus and offices of the Post Office Department in not to exceed the following amounts, respectively:

Office of Budget and Administrative Planning, $65,000.
Office of the First Assistant Postmaster General, $1,162,500.
Office of the Second Assistant Postmaster General, $968,000.
Office of the Third Assistant Postmaster General, $1,350,000.
Office of the Fourth Assistant Postmaster General, $823,000.
Office of the Solicitor for the Post Office Department, $250,000.
Office of the Chief Inspector, $405,000.
Office of the Purchasing Agent, $85,000.
Bureau of Accounts, $505,000.

CONTINGENT EXPENSES, POST OFFICE DEPARTMENT

For necessary, contingent and miscellaneous expenses not otherwise provided for; purchase and exchange of lawbooks and books of reference; newspapers; and travel expenses of the purchasing agent and of the solicitor and personnel connected with his office, not exceeding $2,100; $172,150.

For printing and binding for the Post Office Department and Postal Service, $2,114,000.

Appropriations hereinafter made for the field service of the Post Office Department, except as otherwise provided, shall not be expended for any of the purposes hereinbefore provided for on account of the Post Office Department in the District of Columbia: *Provided*, That necessary expenses of officials and employees of the Post Office Department and Postal Service, when traveling on official business, may be paid from the appropriations for the service in connection with which the travel is performed: *Provided further*, That appropriations hereinafter made, except such as are exclusively for payment of compensation, shall be available for expenses in connection with the examination of estimates for appropriations in the field including per diem allowances in lieu of actual expenses of subsistence: *And provided further*, That the appropriations for the Post Office Department and the Postal Service shall be available for expenditures in connection with accident prevention, but no appropriation made for the field service shall be expended on account of the Post Office Department in the District of Columbia.

Field Service, Post Office Department

OFFICE OF THE POSTMASTER GENERAL

Travel and miscellaneous expenses: For travel and miscellaneous expenses in the Postal Service, offices of the Postmaster General and Assistant Postmasters General, $3,000.

Damage claims: For the payment of claims for damages to persons or property occurring in the fiscal year 1949, or in prior fiscal years, pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921), and in accordance with the provisions of the Deficiency Appropriation Act, approved June 16, 1921 (5 U. S. C. 392), as amended by the Act approved June 22, 1934 (31 U. S. C. 224c), $175,000.

Adjusted losses and contingencies: To pay to postmasters, navy mail clerks, and assistant navy mail clerks, coast guard mail clerks, assistant coast guard mail clerks, army mail clerks, and assistant army mail clerks, or credit them with the amount ascertained to have been lost or destroyed during the fiscal year 1949, or prior fiscal years, through unavoidable casualty resulting from no fault or negligence on their part, as authorized by the Act approved March 17, 1882, as amended by the Act approved December 7, 1945 (39 U. S. C. 49), $75,000.

OFFICE OF THE CHIEF INSPECTOR

Salaries of inspectors: For salaries of fifteen inspectors in charge of divisions and eight hundred inspectors, $4,350,000.

Travel and miscellaneous expenses: For necessary travel and miscellaneous expenses incurred in the operation of the post office inspection service, not to exceed $27,600 for chemical and other investigations, and not to exceed $500 for books of reference, $958,000.

Clerks: For compensation of not exceeding three hundred and eighty-nine clerks in the post office inspection service, $1,178,000.

Rewards: For payment of rewards for the detection, arrest, and conviction of post office burglars, robbers, highway mail robbers, and persons mailing or causing to be mailed any bomb, infernal machine, or mechanical, chemical, or other device or composition which may ignite, or explode, fiscal year 1949 and prior years, $55,000: *Provided*, That rewards may be paid in the discretion of the Postmaster General, when an offender of the classes mentioned was killed in the act of committing the crime or in resisting lawful arrest: *Provided further*, That no part of this sum shall be used to pay any rewards at rates in excess of those specified in Post Office Department Order 28673, dated July 28, 1945: *Provided further*, That of the amount herein appropriated not to exceed $20,000 may be expended in the discretion of the Postmaster General, for the purpose of securing information concerning violations of the postal laws and for services and information looking toward the apprehension of criminals.

OFFICE OF THE FIRST ASSISTANT POSTMASTER GENERAL

Compensation to postmasters: For compensation to postmasters, including compensation as postmaster to persons who, pending the designation of an acting postmaster, assume and perform the duties of postmaster in the event of a vacancy in the office of postmaster of the third or fourth class, and to persons who perform the duties

for postmasters of the fourth class absent on sick or annual leave or leave without pay, and for allowances for rent, light, fuel, and equipment to postmasters of the fourth class, $87,900,000.

Compensation to assistant postmasters: For compensation to assistant postmasters at first- and second-class post offices, $12,600,000.

Clerks, first- and second-class post offices: For compensation to clerks and employees at first- and second-class post offices, including auxiliary clerk hire at summer and winter post offices, printers, mechanics, skilled laborers, watchmen, messengers, mail handlers, and substitutes, and the maintenance of health service program as authorized by law (5 U. S. C. 150), $530,000,000.

Contract station service: For contract station service, $3,500,000.

Separating mails: For separating mails at fourth-class post offices, $180,000.

Unusual conditions: For unusual conditions at post offices, $25,000.

Clerks, third-class post offices: For compensation to clerks at third-class post offices, $25,500,000.

Miscellaneous items, first- and second-class post offices: For expenses necessary for the operation and protection of post offices of the first and second classes, and the business conducted in connection therewith, not provided for in other appropriations, $3,850,000.

Village delivery service: For village delivery service in towns and villages having post offices of the second or third class, and in communities adjacent to cities having city delivery, $300,000.

Detroit River service: For Detroit River postal service, $12,750.

Carfare and bicycle allowance: For carfare and bicycle allowance, including special delivery carfare, cost of transporting carriers by privately owned automobiles to and from their routes, at rates not exceeding regular streetcar or bus fare, and purchase, maintenance, and exchange of bicycles, $2,900,000.

City delivery carriers: For pay of letter carriers, city delivery service, and United States official mail and messenger service, $326,000,000.

Special delivery service: For compensation and fees to special delivery messengers, $16,000,000.

Rural delivery service: For pay for rural carriers, auxiliary carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, tolls and ferriage, and necessary expenses of the rural delivery service, $135,719,000, of which not less than $200,000 shall be available for extensions and new service.

OFFICE OF THE SECOND ASSISTANT POSTMASTER GENERAL

Star route service: For inland transportation by star routes, including temporary service to newly established offices, $25,501,000.

Powerboat service: For inland transportation by steamboat or other powerboat routes, including ship, steamboat, and way letters, $2,133,000.

Railroad transportation and mail messenger service: For inland transportation by railroad routes and for mail messenger service, $165,881,000: *Provided*, That separate accounts be kept of the amount expended for mail messenger service.

Railway mail service, salaries: For fifteen general superintendents, fifteen assistant general superintendents, two assistant general super-

intendents at large, one hundred and twenty district superintendents, one hundred and twenty assistant district superintendents, and other employees in the railway mail service, $109,188,000.

Railway mail service, travel allowance: For travel allowance to railway postal clerks and substitute railway postal clerks, $5,237,000.

Railway mail service, travel expenses: For travel expenses of departmental officials and supervisory employees of the railway mail service, and railway postal clerks, $66,000.

Railway mail service, miscellaneous expenses: For necessary expenses of the railway mail service not provided for in other appropriations, $490,000.

Electric car service: For electric car service, $220,000.

Foreign mail transportation: For transportation of foreign mails, except by aircraft, $23,762,800: *Provided*, That not to exceed $12,500 is hereby made available for expenses of delegates designated from the Post Office Department by the Postmaster General to the Sixth Congress of the Postal Union of the Americas and Spain, The Executive and Liaison Commission and the Transit Commission of the Universal Postal Union, and the conference on revision of the 1929 "Prisoners of War" Convention, to be expended in the discretion of the Postmaster General and accounted for on his certificate, which certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended, which amount shall be available until December 31, 1949.

Balances due foreign countries: For balances due foreign countries, fiscal year 1949 and prior years, $3,000,000: *Provided*, That there shall be established immediately, by transfer of $5,000,000 from the appropriation for "Balances due foreign countries" for the fiscal year 1948, a revolving fund which shall be available without fiscal year limitation for advances to air carriers for the transportation of air mail from foreign countries to the United States as authorized by section 2 of the Act of July 27, 1940 (49 U. S. C. 485b), and payments hereafter received from foreign countries on account of air carriers for the transportation of air mail from foreign countries to the United States shall be credited to such fund.

Indemnities, international mail: For payment of limited indemnity for the injury or loss of international mail in accordance with convention, treaty, or agreement stipulations, fiscal year 1949 and prior years, $17,500.

Foreign air mail service: For transportation of foreign mails by aircraft, as authorized by law, $23,042,000.

Domestic air mail service: For expenses necessary for the inland transportation of mail by aircraft, as authorized by law, including not to exceed $176,000 for supervisory officials and clerks at field headquarters, $32,000,000.

OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

Stamps and stamped paper: For manufacture and distribution of stamps and stamped paper, and not to exceed $30,000 for compensation to employees and other necessary expenses of the United States Stamped Envelope Agency, $9,335,000.

Indemnities, domestic mail: For payment of indemnity for the injury or loss of domestic registered, insured, and collect-on-delivery

mail, and for failure to remit collect-on-delivery charges, fiscal year 1949 and prior years, $3,775,000.

Unpaid money orders: For payment of domestic money orders after one year from the last day of the month of issue of such orders, $900,000.

OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

Miscellaneous supplies and equipment: For the purchase, manufacture, repair, and installation of necessary miscellaneous equipment and supplies for the Postal Service not provided for in other appropriations; for the purchase of atlases and geographical and technical works not to exceed $1,500; and not exceeding $191,400 for personal services, including salaries of fourteen traveling mechanicians; for rental of canceling machines and motors, mechanical mail-handling apparatus, and other labor-saving devices; and for travel expenses; $7,658,000, of which $400,000 shall be available exclusively for the purchase of modern mechanical postal devices, and of which $50,000 shall be available exclusively for mechanizing devices for separation of mails, and $50,000 shall be available exclusively for the necessary research, and for the design, manufacture, and installation of pilot mail-sorting equipment, as recommended on page 73 of House Report Numbered 1656, Eightieth Congress, second session, and for the necessary supervision of the installation and operation of such equipment: *Provided*, That the Postmaster General may authorize the sale to the public of post-route maps and rural-delivery maps at the cost of printing and 10 per centum thereof added.

Equipment shops: For the purchase, manufacture, and repair of mail bags and other equipment for the postal service not provided for in other appropriations; necessary expenses for the operation, maintenance, and protection of the mail equipment shops building, grounds, and equipment, and a health service program as authorized by law (5 U. S. C. 150); $12,853,625, of which not to exceed $1,255,000 may be expended for personal services in the District of Columbia and not exceeding $15,000 for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipments as may be required by other executive departments; and for services in Alaska, Puerto Rico, Hawaii, or other island possessions.

Rent, fuel, and utility services: For rent, light, power, fuel, and water, for first-, second-, and third-class post offices, and the cost of advertising for lease proposals for such offices, $14,750,000.

Pneumatic tube service: For rental of not exceeding twenty-eight miles of pneumatic tubes, hire of labor, communication service, electric power, and other expenses for transmission of mail in the city of New York including the Borough of Brooklyn; and for rental of not exceeding two miles of pneumatic tubes, not including labor and power in operating the same, for the transmission of mail in the city of Boston, Massachusetts; $740,000: *Provided*, That the Acts of April 21, 1902, May 27, 1908, and June 19, 1922 (39 U. S. C. 423), relating to contracts for the transmission of mail by pneumatic tubes or other similar devices shall not be applicable to the city of New York, and the provisions not inconsistent herewith of the Acts of April 21, 1902, and May 27, 1908 (39 U. S. C. 423), shall be applicable to the city of Boston.

Vehicle service: For the hire, purchase, maintenance, repair, and operation of vehicles for use in the collection, transportation, delivery, and supervision of the mail, including the repair of vehicles owned by, or under the control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the Postal Service; the rental of garage facilities; lease of quarters not exceeding a term of ten years for the housing of Government-owned motor vehicles, and including compensation to necessary employees in the motor vehicle service, $42,457,000, of which $4,400,000 shall be available exclusively for the purchase of trucks: *Provided*, That the Postmaster General may purchase and maintain from this appropriation such tractors and trailer trucks as may be required in the operation of the vehicle service: *Provided further*, That no part of this appropriation shall be expended for maintenance or repair of motor-propelled passenger-carrying vehicles for use in connection with the administrative work of the Post Office Department in the District of Columbia.

Transportation of equipment and supplies: For the transportation and delivery of equipment, materials, and supplies for the Post Office Department and Postal Service by freight, express, or motor transportation, and other incidental expenses, $1,000,000.

Operating force, public buildings: For compensation to employees in the custodial service, $44,600,000.

Operating supplies, public buildings: For necessary miscellaneous articles, services and supplies, including transportation thereof, required for the operation of completed and occupied public buildings and grounds operated by the Post Office Department, $7,320,000, which shall not be available for personal services except for work done by contract, or for temporary job labor under exigency not exceeding at one time the sum of $250 at any one building: *Provided*, That the Postmaster General is authorized to contract for telephone service in public buildings under his administration by means of telephone switchboards or equivalent telephone switching equipment jointly serving in each case two or more governmental activities, where he determines that joint service is economical and in the interest of the Government, and to secure reimbursement for the cost of such joint service from available appropriations for telephone expenses of the bureaus and offices receiving the same.

Equipment, public buildings: For the procurement, including transportation, of furniture, carpets, safes, safe and vault protective devices, and repairs of same, for use in public buildings which are now, or may hereafter be, operated by the Post Office Department, $950,000: *Provided*, That excepting expenditures for labor for or incidental to the moving of equipment from or into public buildings, the foregoing appropriation shall not be used for personal services except for work done under contract or for temporary job labor under exigency and not exceeding at one time the sum of $100 at any one building: *Provided further*, That all furniture now owned by the United States in other public buildings or in buildings rented by the United States shall be used, so far as practicable, whether or not it corresponds with the present regulation plan of furniture.

Deficiency in postal revenues: If the revenues of the Post Office Department shall be insufficient to meet the appropriations made under

title II of this Act, a sum equal to such deficiency in the revenues of such Department is hereby appropriated, to be paid out of any money in the Treasury not otherwise appropriated, to supply such deficiency in the revenues of the Post Office Department for the fiscal year ending June 30, 1949, and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General.

During the fiscal year 1949, the Postmaster General shall make quarterly reports to the Senate and House Committees on Appropriations, showing for each quarter the amount paid from each appropriation for overtime, the number of employees receiving such overtime, and the number of hours of overtime worked by such employees, together with a statement as to the necessity for such overtime work.

Not to exceed 5 per centum of any appropriation for the Field Service, Post Office Department, may be transferred, with the approval of the Director of the Bureau of the Budget, to any other appropriation or appropriations under the said Service, but no appropriation shall be increased more than 10 per centum by such transfers.

This title may be cited as the "Post Office Department Appropriation Act, 1949".

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 302. This Act may be cited as the "Treasury and Post Office Departments Appropriation Act, 1949".

Approved June 14, 1948.